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Japan

Government Backs UN's Mideast Resolution

OW2112122690 Tokyo KYODO in English 1217 GMT 21 Dec 90

[Text] Tokyo, Dec. 21 KYODO—Japan supports a U.N. Security Council resolution deploring Israel's plans to deport Palestinians and a statement by the council's president, Yemeni Ambassador 'Abd Allah al-Ashtal [name, title as received], calling for a Middle East peace conference, Foreign Ministry Spokesman Taizo Watanabe said Friday.

The statement was in line with Japan's basic stance on the Middle East problem and Japan welcomes the statement as the will of the international community, Watanabe said.

The resolution adopted on Thursday deplored the Israeli decision to resume deportations of Palestinians suspected of inciting violent demonstrations in the West Bank and Gaza Strip and called for the U.N. to monitor their safety.

Kaifu Expects Gorbachev Visit 'as Planned'

OW2112045890 Tokyo KYODO in English 0435 GMT 21 Dec 90

[Text] Tokyo, Dec. 21 KYODO—Prime Minister Toshiki Kaifu said Friday he expects Soviet President Mikhail Gorbachev to visit Japan in April as planned, despite Soviet Foreign Minister Eduard Shevardnadze's surprise resignation announcement Thursday.

"I don't think there will be any change in bilateral relations," Kaifu told reporters.

"I expect President Gorbachev's perestroyka (restructuring) policy to remain unchanged," he said.

Chief Cabinet Secretary Misoji Sakamoto, however, expressed concern that upheaval in the Kremlin could hinder progress on resolving a 45-year-old territorial dispute with the Soviet Union.

It is premature to say how the resignation will affect Gorbachev's visit, or a foreign ministerial meeting scheduled for January to prepare for the historical trip, Sakamoto said.

"We are hoping that Gorbachev's visit will result in a fundamental improvement of relations," Sakamoto told a regularly scheduled news conference.

Asked how Shevardnadze's resignation, spurred by criticism from conservatives, would affect the territorial dispute, Sakamoto said, "the success of 'new thinking' foreign policy is a major driving force behind the improvement of Japan-Soviet relations."

Japan has been pinning its hopes on Gorbachev's visit for a breakthrough in a thorny dispute over the ownership of four small islands off Hokkaido, occupied by the Soviet Union since the end of World War II.

Foreign Minister Taro Nakayama told reporters after the twice-weekly cabinet meeting Friday that Shevardnadze's resignation will have a major impact on bilateral negotiations, peace and stability in Asia, the Persian Gulf crisis, and U.S.-Soviet relations.

"We are carefully watching the transition," he said.

Nakayama said he expects the regular foreign ministerial meeting to take place as planned, adding it is uncertain whether Shevardnadze's resignation will be accepted, or how long the procedure will take.

Shevardnadze's resignation formally must be accepted by lawmakers or by Gorbachev, though it is unlikely that Shevardnadze could be forced to stay on.

Foreign Minister Uncertain Over USSR Trip

OW2012135490 Tokyo KYODO in English 1344 GMT 20 Dec 90

[Text] Tokyo, Dec. 20 KYODO—The Japanese Government was taken by surprise by Soviet Foreign Minister Eduard Shevardnadze's sudden resignation, with Foreign Minister Taro Nakayama casting doubt on his own planned trip to Moscow in January.

"It came so suddenly. I am surprised," Nakayama told reporters. He said he does not now know whether his trip to the Soviet Union, tentatively scheduled for January 2-5, would go ahead.

Foreign Ministry officials, who spoke on condition of anonymity, said that Japan was "very surprised" to hear of Shevardnadze's announcement that he will step down because of what he described as the advent of "dictatorship."

The Foreign Ministry has requested the Soviet Embassy in Tokyo for further information and was told it was looking into the reports, officials said.

Foreign Ministry officials said they are concerned that Shevardnadze's departure could derail the process of political dialogue leading up to Soviet President Mikhail Gorbachev's planned visit to Japan in April next year.

The Foreign Ministry may be forced to review its approach to the Soviet Union, which has been centered on Shevardnadze, described by a senior ministry official as a "trustworthy" negotiating partner.

Shevardnadze has visited Japan three times since he became foreign minister in July 1985, the last trip being in September this year.

Hashimoto Watching Market Reaction to Shevardnadze

OW2112051390 Tokyo KYODO in English 0449 GMT 21 Dec 90

[Text] Tokyo, Dec. 21 KYODO—Finance Minister Ryutaro Hashimoto said Friday he is closely watching how reports of the resignation announcement by Soviet Foreign Minister Eduard Shevardnadze will affect world financial markets.

Hashimoto told a press conference after a cabinet meeting he is watching to see how the news will influence the foreign exchange, bond, and stock markets in Europe.

"This has added to uncertainties over the Gulf crisis," he said.

Asked if it will precipitate a meeting of the Group of Seven (G-7) industrialized nations, Hashimoto said views are mixed, with some hoping for an early meeting and others wanting to wait for a while and see what will develop.

Commenting on the monthly economic report for December, approved by the cabinet meeting, Hashimoto expressed a reserved view about Japan's economic outlook.

"The Japanese economy has been running without any warning signals so far," he said, hinting he feels there is a need for caution.

The economic report, produced by the Economic Planning Agency (EPA), said Japan's economy entered its 49th month of uninterrupted expansion in December, but that some indicators showed the economy is cooling off somewhat, apparently dampened by higher interest rates and the Gulf crisis.

Despite the slowing growth, however, Hashimoto said the government sees no necessity for a change in its financial engineering, with prices not being stabilized enough due to volatile oil prices.

Meanwhile, International Trade and Industry Minister Kabun Muto expressed concern that Shevardnadze's resignation would badly damage reformists in the Soviet Union.

"This might lead to a revival of conservatives in the country. I'm worried that they, along with the military, will take advantage of this," he said.

Parliamentary Group To Give Aid to USSR

OW2112122790 Tokyo KYODO in English 1209 GMT 21 Dec 90

[Text] Tokyo, Dec. 21 (KYODO)—A Japanese parliamentary group scheduled to leave Tokyo for Moscow on January 6 will provide the Soviet Union with some 11 million yen worth of food and medical supplies to help the country overcome severe shortages of food and consumer goods, Diet officials said Friday.

Yoshihiko Tsuchiya, president of the House of Councillors and head of the delegation, will hand over the list of emergency aid supplies to Anatoliy Lukyanov, chairman of the Supreme Soviet.

The food and medical supplies, including canned tuna and vitamins, were voluntarily collected by Tsuchiya and other members of the delegation.

On Tuesday, Chief Cabinet Spokesman Misoji Sakamoto announced Japan's aid package to the Soviet Union, including 1 billion yen worth of food and medical supplies and 100 million dollars in credit.

Hokkaido Medical Team Leaves for Sakhalin 21 Dec

OW2112055190 Tokyo KYODO in English 0439 GMT 21 Dec 90

[Text] Sapporo, Dec. 21 KYODO—A five-member medical team left Friday for Sakhalin to survey the training of doctors and nurses, as well as the availability of medicine and medical equipment on the Soviet island.

The group hopes to promote medical exchanges between Japan and the Soviet Union.

The mission, sent by the Hokkaido government, consists of Masamitsu Kaneko and three other doctors at Sapporo Medical College Hospital who looked after Konstantin Skoropyshniy, a boy sent from Sakhalin to Hokkaido for treatment of severe burns, and a clerical staffer.

The group will arrive in Sakhalin on Saturday via Niigata and Khabarovsk, and return home December 26.

Workers at U.S. Bases 'Uneasy' Over Role

OW2112114490 Tokyo KYODO in English 1110 GMT 21 Dec 90

[By Tadashi Matsumoto]

[Text] Tokyo, Dec. 21 KYODO—The 22,000 Japanese workers at U.S. bases in Japan are starting to worry how long they will keep their jobs, now that the Pentagon has decided to pull out 4,800 of the 50,000 American troops stationed here.

Despite Japan's agreement to shoulder a greater portion of the cost of the U.S. forces, including the full base salaries of the Japanese employees, they are uneasy about the role they will play—and for how long—as the United States reduces its forces in Asia.

"The Japanese Government should take responsibility as our employer, even if U.S. forces are pulled out of Japan," Katsunori Kawazu, secretary general of the All-Japan Garrison Forces Labor Union, said.

The U.S. plans to pull out around 10 percent of its 135,000 soldiers deployed in Asia by late 1992, according to the Pentagon.

Responding to a U.S. demand to shoulder a larger portion of the cost of maintaining its troops in Japan, Prime Minister Toshiki Kaifu's cabinet agreed in its new five-year defense program, unveiled Thursday, to take over the full costs of gas, electricity, and other public utilities, and the basic salaries of Japanese workers at U.S. bases over the next five years.

The total cost of hosting the U.S. troops in Japan is about 7.6 billion dollars, or about 1 trillion yen, a year, according to Japanese Government sources. Japan is currently sharing 39 percent of the total.

A total of additional 10 billion yen for cost-sharing is to be earmarked in the fiscal 1991 state budget to be compiled late this year.

The additional disbursement will reach 84 billion yen in 1995, the last year of the new defense program, bringing Japan's total spending to 50 percent of the total support cost, Chief Cabinet Secretary Misoji Sakamoto said.

The Defense Facilities Administration Agency plans to construct housing in Zushi, south of Tokyo, for U.S. military personnel at Yokosuka Naval Base and their families as part of the so-called "burden-sharing" budget introduced during the term of former Prime Minister Noboru Takeshita.

Under the plan, about 850 housing units are scheduled to be built on part of the former site of the Ikego ammunition depot, a 290-hectare forested area virtually untouched for the past 50 years.

Tomoko Tokumoto, a 41-year-old housewife, one of the leaders of a group of Zushi citizens protesting the housing plan, said, "We want the U.S. personnel in Yokosuka to go home."

Tokumoto said the Japanese Government, by shouldering more of the cost of maintaining U.S. forces in Japan, is helping the U.S. expand its military forces around the world.

The mayors of eight of 10 cities and towns around U.S. military bases polled by KYODO NEWS SERVICE in May said they want the U.S. forces to leave.

The mayor of a town in Kadena, Okinawa, said the U.S. air base there takes up 85 percent of the land in his town of 25,000 people, making it impossible to draw up plans for urban development. The other seven mayors opposing the U.S. presence had similar complaints.

But the mayors of Sasebo, Nagasaki Prefecture, and Yokota, in Tokyo, oppose a pullout of U.S. forces, saying purchases by U.S. soldiers contribute to the local economies.

Futoshi Chiba, a 34-year-old cram school operator [as received] from Yokohama, welcomes Japan's financial aid to U.S. forces as a kind of insurance against a possible revival of Japanese militarism.

"Japanese people easily get carried away by emotion when they discuss national defense," Chiba said.

Meanwhile, Defense Agency Director General Yozo Ishikawa has lashed out at a U.S. congressional call for Japan to bear more of the burden of the U.S. military presence on its land.

Ishikawa criticized the U.S. call when the U.S. Congress in September passed an amendment calling for the number of American soldiers in Japan to be cut in annual stages unless Japan pays the full cost of their deployment. "The Congress has no common sense," Ishikawa said. "Japan did not ask the U.S. troops to be stationed in Japan. Please take them back home."

Report Says Nuclear Plants Safer Than in U.S.

OW2112051590 Tokyo KYODO in English 0357 GMT 21 Dec 90

[Text] Tokyo, Dec. 21 KYODO—The risk of a major disaster at Japanese nuclear power plants is less than one in 100,000, making them much safer than U.S. plants, a government white paper released Friday said.

The Nuclear Safety Commission white paper for 1990 calls Japan's nuclear plants extremely reliable because of the country's high safety standards.

The report introduces a new method of computing the probability of a nuclear accident serious enough to damage the vital core of a reactor, called Probability Safety Assessment (PSA).

This formula, which takes into account data on past accidents, provides an objective assessment of the safety of nuclear power plants, the commission said.

The PSA puts the likelihood of a grave accident at any given nuclear power facility in Japan at less than one in 100,000 years, below the comparable risks of one in 10,000 in the U.S., and one in 10,000 to 100,000 in Europe, the report said.

Emergency power generators and external power sources to power emergency core cooling systems and other safety equipment are major factors behind the safety of Japanese plants, the report said.

The white paper, however, noted that an accident in which metal fragments from a coolant pump found their way into the core of a reactor at Tokyo Electric Power Co.'s No. 2 Fukushima nuclear power plant in 1989 damaged public confidence.

On the night of January 1, 1989, the pump started vibrating, activating an alarm. Although the abnormal vibration continued, the company did not shut down the reactor until January 7.

The commission's report again criticized the utility for its "sloppy" handling of the incident.

ROK Emissary Assures Kaifu on Ties With USSR

OW2012131290 Tokyo KYODO in English 1257 GMT 20 Dec 90

[Text] Tokyo, Dec. 20 KYODO—A special emissary from South Korean President No Tae-u assured Prime Minister Toshiki Kaifu on Thursday that Seoul's warming ties with Moscow will not become an obstacle to future Japan-Soviet relations.

Kim Chong-in, meeting with Kaifu at the prime minister's official residence, sought to allay concern that South Korea's plans for economic cooperation with the Soviet Union will undermine Tokyo's position linking future economic cooperation with the return to Japan of a group of Soviet-held islands off the northeastern coast of Hokkaido.

"We did not reach any agreement regarding economic cooperation," Kim said of No's summit last week with Kremlin leader Mikhail Gorbachev. "But we were in agreement about the creation of peace on the Korean peninsula."

"We are making clear that South Korea-Soviet relations will not be an obstacle to Japan-Soviet relations," Kim told Kaifu.

Kim, an economic adviser in the presidential secretariat, also asked Kaifu to ensure that progress in inter-Korean talks is not jeopardized by Japan's full-scale negotiations on normalizing diplomatic relations with North Korea, scheduled to get under way in January.

Kim told Kaifu that No is looking forward to the prime minister's visit to South Korea in January, "for better Japan-South Korea relations."

Kaifu hailed No's visit to Moscow as "historically significant," saying it will help reduce tension in Asia.

Kaifu added that, as a basis for friendly relations between Japan and South Korea, he would like to move forward to make a contribution toward easing tensions on the Korean peninsula.

DPRK Names Chief Negotiator for Upcoming Talks

OW2112083390 Tokyo KYODO in English 0823 GMT 21 Dec 90

[Text] Tokyo, Dec. 21 KYODO—The North Korean Government has named Vice Foreign Minister Chon In-chol as chief negotiator for the forthcoming official talks in Pyongyang next month to pave the way for normalizing relations with Japan, Japan's Foreign Ministry said Friday.

Officials of the ministry said Chon has served in such posts as policy adviser and vice president of the North Korean Red Cross Society. He has overseen the repatriation of Korean residents of Japan as vice president of the Red Cross Society.

Earlier the same day the Japanese Government appointed Ambassador Noboru Nakahira as its chief negotiator.

Nakahira, 60, who joined the Foreign Ministry in 1953, has served as chief of the Asian Affairs Bureau's Northeast Asia Division, chief of the United Nations Bureau, and ambassador to Malaysia.

The ambassador has been without portfolio since last month when he returned from Malaysia.

Japan and North Korea agreed in a third round of preliminary talks in Beijing on Monday to start full-scale official negotiations in late January.

Japan Appoints Envoy for Talks

OW2112030490 Tokyo KYODO in English 0146 GMT 21 Dec 90

[Text] Tokyo, Dec. 21 KYODO—The government on Friday appointed Ambassador Noboru Nakahira as chief negotiator for diplomatic talks to open in Pyongyang next month to normalize relations between Japan and North Korea.

Japan and North Korea agreed on Monday in a third round of preliminary talks in Beijing to start the full-scale negotiations in late January. The second round of negotiations will be held in Tokyo and later negotiations in Beijing.

Nakahira, 60, who joined the Foreign Ministry in 1953, has served as chief of the Asian Affairs Bureau's Northeast Asia Division, chief of the United Nations Bureau, and ambassador to Malaysia.

The ambassador has been on the ministry's waiting list since last month.

Nakahira To Press DPRK on Nuclear Inspections

OW2112123590 Tokyo KYODO in English 1216 GMT 21 Dec 90

[Text] Tokyo, Dec. 21 KYODO—The Japanese chief negotiator for talks with North Korea said Friday that he will urge Pyongyang to accept international inspection of its nuclear facilities during upcoming full-fledged negotiations on normalizing diplomatic relations between the two countries.

Japan and North Korea agreed Monday in a third round of preliminary talks in Beijing to start the full-scale negotiations in Beijing in late January.

Ambassador Noboru Nakahira, who was named as chief negotiator the same day by the government, told reporters that North Korea's refusal to conclude a treaty with the International Atomic Energy Agency (IAEA) which would allow the international body to inspect its nuclear facilities is a "serious matter.

North Korea ratified the 1970 (nuclear) Non-Proliferation Treaty in 1985 but has not concluded a related accord with the IAEA that would allow the agency to make on-site inspections to determine whether the country is actually using nuclear substances to make nuclear weapons.

Referring to a North Korean demand that Japan pay compensation for "losses" suffered by North Koreans during the 45-year postwar period, Nakahira said that a tripartite declaration made in late September among Japan's ruling Liberal Democratic Party, the Japan Socialist Party, and North Korea's governing Korean Workers' Party does not legally bind the Japanese Government.

The joint declaration issued in Pyongyang said that the Japanese Government should apologize and compensate for losses Japan inflicted on North Korea during 45 years following the end of World War II as well as during the 1910-45 period of Japanese colonial rule.

Nakahira, ambassador formerly accredited to Malaysia, said that normalizing Japan-North Korea relations is an important pending postwar issue for Japan and that he will approach the talks with sincerity for the sake of peace and stability on the divided Korean peninsula.

Japan established full diplomatic relations with South Korea in 1965 but has never recognized North Korea.

Nakahira, 60, who became a career diplomat in 1953, has served as chief of the Asian Affairs Bureau's Northeast Asia Division, chief of the United Nations Bureau, and ambassador to Malaysia. He has been on the Foreign Ministry's waiting list since last month.

Meanwhile, North Korea has appointed Vice Foreign Minister Chon In-chol as its principal negotiator for the talks, according to Japanese officials.

Chon has served in such posts as policy adviser and vice president of the North Korean Red Cross Society, in which capacity he has overseen the repatriation of Korean residents of Japan, the officials said.

PRC To Receive Second Portion of Yen Loan

OW2112043790 Tokyo KYODO in English 0343 GMT 21 Dec 90

[Text] Tokyo, Dec. 21 KYODO—Japan will extend 42,633 million yen to China as the second portion of its official yen-denominated loans for fiscal 1990, the government said Friday.

The loans, pledged in an exchange of notes in Beijing the same day, will be used for five projects, including a key project in the special economic zone of Shenzhen where there is notable expansion, and a development project in Hainan Dao, officials said.

The loans are a part of Japan's 810 billion yen loan package to China for 42 projects during fiscal 1990 and 1995, which was suspended after the Chinese Government's military crackdown on dissidents in Tiananmen square last year.

Carrying an interest rate of 2.5 percent, repayment is to be made over 30 years, including a grace period of 10 years.

At July's Houston summit of the seven industrialized powers, Japan announced its intention of resuming its yen loan package, and extended 36,511 million yen as the first portion for fiscal 1990.

The second portion brings this year's total to 79,144 million yen.

Mongolia To Deliver List of Japanese POW Deaths

OW2112074590 Tokyo KYODO in English 0702 GMT 21 Dec 90

[Text] Tokyo, Dec. 21 KYODO—A roster of some 1,300 members of the Japanese Imperial Army who died in Mongolian prisoner of war camps following World War II will be delivered to a Japanese veterans group next summer, officials of the group said Friday.

Notes, diaries, and other mementos of the ex-POWs will be presented by the Mongolian Red Cross Society to the All-Japan Former Internees Association in early July along with the list, the officials said.

The Mongolian Red Cross Society, based in Ulaanbaatar, and the association agreed last Monday on the delivery of the items.

The Mongolian side has confirmed 1,300 of the estimated 1,600 Japanese POW deaths in Mongolia, the association said. The Mongolians are still trying to confirm the fate of the other 300 internees believed to have died, it said.

N. Shura, president of the Mongolian Red Cross Society, estimated recently in Tokyo that 12,318 Japanese POWs were taken to Mongolia from the Soviet Union at the close of 1945 and put into 16 labor camps.

There are three graveyards for Japanese internees in Ulaanbaatar and elsewhere in Mongolia, Shura said.

Relatives of the dead POWs will be allowed to visit their graves under the agreement, the association officials said.

Sources: Kaifu Plans Reshuffle Before ROK Trip

OW2012151890 Tokyo KYODO in English 1503 GMT 20 Dec 90

[Text] Tokyo, Dec. 20 KYODO—Prime Minister Toshiki Kaifu plans to carry out a cabinet reshuffle early next year before he visits South Korea on January 9-10, political sources said Thursday.

Kaifu has decided to change the cabinet line-up following a series of informal meetings with Ichiro Ozawa, secretary general of the ruling Liberal Democratic Party (LDP), former Prime Minister Noboru Takeshita and former Deputy Prime Minister Shin Kanemaru, the sources said.

Kaifu plans to have key cabinet ministers and three top executives of the LDP remain in office, but to keep out Diet members tainted by the 1976 Lockheed payoff scandal and the influence-buying recruit scandal from his new cabinet, expected to be announced sometime between January 4 and 7, the sources said.

The prime minister decided it was sensible not to resist the growing calls for an early cabinet reshuffle since LDP factions are no longer supportive of having scandal-tainted figures in the cabinet following questioning of Toshiyuki Inamura, an LDP House of Representative member, by prosecutors on Wednesday in connection with suspected tax evasion, the sources said.

Three main LDP factions, along with Kanemaru, have called for a cabinet reshuffle within this year, while Kaifu and Takeshita were reluctant to have an early reshuffle.

Kanemaru said Kaifu originally wanted a cabinet reshuffle in May after the current regular Diet session ends.

Kaifu, who lacks his own power base within the LDP, took office in August 1989 following a series of scandals in the party, and was selected as prime minister mainly because of his "clean" image.

KYODO Wraps Up Details of Defense Program

OW2012131090 Tokyo KYODO in English 1232 GMT 20 Dec 90

[Text] Tokyo, Dec. 20 KYODO—The government on Thursday approved 22.75 trillion yen for its first mid-term defense spending program of the post-cold war era, the lowest rate of expansion since the five-year defense estimate plans were launched in 1976.

The program, to go into effect in April, represents an average annual increase in defense outlays of 3 percent, about half the 5.4 percent annual rate of increase in the previous five-year plan.

Over the next five years the Defense Agency will make cuts in its arsenal of tanks and warships, and lower the ceiling on ground forces, while beefing up research on the new generation FSX fighter plane, and new missile systems.

Prime Minister Toshiki Kaifu said spending has been held to the minimum necessary in light of the decline in cold war tensions. The plan is to come up for review in three years.

Chief Cabinet Secretary Misoji Sakamoto said that the Soviet military threat has receded, and that Soviet troops stationed in Siberia no longer pose a "potential threat" to Japan.

The plan drew criticism from the three largest opposition parties, who blasted the 4.4 trillion increase over the current 18.4 trillion yen program, implemented from fiscal 1986-1990, as being out of step with the decrease in East-West tensions.

The leading Japan Socialist Party said Japan's defense capabilities should be frozen, and total spending should be reduced from the current level.

Major purchases planned over the next five years include four AWACS radar aircraft, and 36 multiple launch rocket systems.

Tokyo will also increase its share of costs for maintaining the some 50,000 U.S. troops stationed in Japan to around 50 percent by 1995, up from 39 percent at present.

Japan has come under pressure from the U.S. Congress to sharply increase its payments for stationing troops here or see them return home.

In 1989 Japan provided 3 billion dollars of the 7.6 billion dollars of costs incurred in Japan.

Spending on front-line military equipment, including tanks, fighter planes, and warships, is to be restrained to 5.1 trillion yen, up 2.1 percent from the previous plan, while logistics, communication, and research and development are to be budgeted at 9.15 trillion yen, up 5.9 percent over the last program.

The new plan calls for the Defense Agency to improve its capabilities in the areas of gathering military information, transportation, and command systems.

The Defense Agency is to reduce its arsenal of tanks from 1,205 to 1,130 over the next five years, and to reduce its total number of escort warships from 63 to 58.

The ceiling on the number of Ground Self-Defense Force (GSDF) personnel was lowered from 180,000—the number specified since 1976—to 153,000. There are currently 152,000 GSDF personnel in active service.

Sea and air defenses will be improved by purchases of 10 escort warships, five submarines, 36 antisubmarine helicopters, 42 F-15 fighters and other military equipment.

BOJ's Mieno Wecomes Slower Money Supply Growth

OW2112043990 Tokyo KYODO in English 0329 GMT 21 Dec 90

[Text] Tokyo, Dec. 21 KYODO—Bank of Japan Governor Yasushi Mieno said Friday he welcomes a slowdown in the pace of growth of Japan's money supply, though the level is still high in comparison with real economic performance.

The central bank governor made the remarks in a cabinet discussion on economic policy, government officials said.

Japan's broadly defined money supply—M2 (cash in circulation and demand deposits) plus certificates of deposit—grew at a year-on-year pace of 10.0 percent in November, slowing down from 11.8 percent in October. The November figure was announced Tuesday.

Mieno attributed the slowdown in money supply for November mainly to a fund shift to "wide," a high-yield, interest-bearing bank debenture issued by the Long-Term Credit Bank of Japan, which is omitted from money supply statistics.

BOJ Expected To Keep 'Tight Grip' on Lending

OW2012225090 Tokyo KYODO in English 1359 GMT 20 Dec 90

[Text] Tokyo, Dec. 20 KYODO—The Bank of Japan (BOJ) is expected to keep a tight grip on lending by Japan's commercial banks in the first quarter in 1991, in an attempt to squeeze inflationary pressure out of the economy, financial sources said Thursday.

The sources said the central bank will direct the nation's 12 so-called "city" banks to reduce their lending growth by about 33 percent from a year earlier, the same level of restraint as in the fourth quarter this year.

The tight monetary stance reflects the BOJ's determination to totally kill "the bubble" effect of soaring asset inflation nurtured in a period of easy-money amid low interest rates over the past several years.

The sources said the BOJ policy will be welcomed by the major banks which want to cut lending to achieve the capital-adequency target set by the Bank for International Settlements (BIS).

Faced with higher interest rates and the faltering stock market here, the banks' capital base has been rapidly shrinking.

Under BIS rules, Japanese banks need to raise their capital-to-asset ratio to 8 percent by March 1993.

Since the third quarter this year, the BOJ has told banks to cut their loan growth in a determined battle against mounting inflation fueled by the heating economy and soaring crude oil prices amid the Persian Gulf crisis. In the October-December quarter, the central bank ordered them to shave lending increases by 33.4 percent, the tightest in 16 years.

Though such a policy has successfully curbed the property price spiral somewhat, the BOJ apparently considers current private-sector liquidity as still at a threatening level, the sources said

They also said the restraint is also based on the bank's perception that a few months more of tight credit will little affect capital spending and other business activities.

The BOJ is expected to apply the same guidance to long-term credit banks and other financial institutions, they said.

EPA Releases National Assets for 1989

OW2112032490 Tokyo KYODO in English 0133 GMT 21 Dec 90

[Text] Tokyo, Dec. 21 KYODO—Soaring land and stock prices pushed up Japan's national assets by 14.4 percent at the end of 1989 from a year earlier to 6,854 trillion yen, according to a national economic estimate released by the Economic Planning Agency on Friday.

The figure represents total visible assets—product inventories, factory facilities, houses, natural resources, and land—as well as gross financial assets, comprising cash in circulation, savings and deposits, insurance policies, bonds, and stocks.

The value of the nation's land expanded 15.7 percent in 1989 to 2,129 trillion yen and the total value of stocks surged 33.8 percent to 895 trillion yen.

In Tokyo, where about 10 percent of the population lives, the pace of increase in land prices slowed after skyrocketing in 1988. But land prices in Osaka, Kyoto, and Nara jumped nearly 50 percent.

Japan's outstanding overseas assets jumped to 230 trillion yen, or 1,771 billion U.S. dollars, in 1989, from 187 trillion yen in 1988, with the net balance—gross financial assets minus liabilities overseas—rising to 38 trillion yen, or 2,93.2 billion dollars.

In terms of per capita gross domestic product (GDP), the agency ranked Japan as No. 2 among member countries of the Organization for Economic Cooperation and Development (OECD) in 1989.

The Japanese per capita figure was 23,296 dollars, second after Switzerland's 26,104 dollars. Finland was 100 dollars behind Japan in third place, followed by Sweden, Norway, the United States, and Canada.

Japan 'World's Top Overseas Investor' in 1989

OW2012113590 Tokyo KYODO in English 1116 GMT 20 Dec 90

[Text] Tokyo, Dec. 20 KYODO—Japan replaced the United States and Britain as the world's top overseas investor in 1989, according to a report published by the Japan External Trade Organization (JETRO) Thursday.

JETRO said Japanese direct overseas investment totaled 44.1 billion dollars last year, a 29 percent jump from 34.2 billion dollars the year before.

While Japan has been steadily expanding its presence in international investment markets, the U.S., the biggest investor in 1988, dropped to the third slot, with 31.7 billion dollars. Britain remained the second with 31.8 billion dollars.

JETRO said that as the top overseas investor, Japan needs to play a part in ensuring the prosperity of the world economy by contributing to economic development in East Asia and to the restructuring of the troubled economies in the Soviet Union, East Europe, and the debt-ridden Latin American nations.

Noting that Japanese investment sometimes appears too aggressive to foreigners, it urged Japanese companies to step up efforts to establish more friendly relations with local communities, through closer cooperation with local industry in business, research and development, and other activities.

In terms of outstanding investment, Japan ranked third with 154.4 billion dollars, following the U.S. with 373.4 billion dollars and Britain with 191.9 billion dollars.

Overseas investment by all countries stood at 197.9 billion dollars last year, bringing the value of outstanding investments to 1.26 trillion yen.

On the inflow side, Japan received investment worth 2.9 billion dollars, or 11.8 percent less than 1988.

The report said Japan should not only boost its overseas investment but should also become more receptive to foreign investors.

To this end, the country needs to remove its barriers to foreign investment as outlined at the Structural Impediments Initiative (SII) talks with the U.S., and promote business ties between Japanese and foreign enterprises, it said.

Though its overseas investments are on the wane, the U.S. remained the biggest recipient of foreign investment, with the inflow up 23.6 percent to 72.2 billion dollars.

Reflecting a growing interest in Europe in advance of market integration there in 1992, the former West Germany received 59.4 billion dollars last year in investment from overseas, or more than 4.3 times the previous year's 13.7 billion dollars.

In Asia, South Korea and other newly industrializing economies (NIES) lost some of their attraction for foreign investors, while the emerging economies in Southeast Asia drew increasing attention.

JETRO also said that in fiscal 1989, ended last March 31, Japan's overseas direct investment rose 43.6 percent from the previous year to 67.5 billion dollars. The country's investment in the U.S. surged 51.8 percent, while in Europe it leapt 62.4 percent. Investment in Britain and the Netherlands was especially brisk, it noted.

But higher interest rates and the financial market slump here made Japanese investors increasingly cautious toward overseas investment. In the first half of fiscal 1990, Japanese investment dropped 10.2 percent from the corresponding period last year to 27.7 billion dollars.

In contrast to the slumping investment from Japan, foreign investment in Japan grew 73.1 percent in the April-September period from a year before.

North Korea

U.S.-ROK Attacked for 'Poisonous' Food Imports

SK2112050490 Pyongyang KCNA in English 0425 GMT 21 Dec 90

["Poisonous Matter Detected in Wheat Imported From the United States"—KCNA headline]

[Text] Pyongyang December 21 (KCNA)—A poisonous matter extremely harmful to human body, believed to cause hemorrhage and osteomyelitis, was found in wheat imported from the United States, according to a South Korean newspaper report.

This fact was released in a survey conducted by the members of the Pharmacognosis Research Institute of Seoul University.

The U.S. capitalists are selling to South Korea ailing cattle and even the foodstuffs whose sale is prohibited at home because of heavy toxic matters.

More and more harmful grains and foodstuffs are flowing into South Korea as the authorities yield to the U.S. imperialists' market-opening pressure.

The imports of poisonous wheat from the United States is a product of the South Korean authorities' U.S.-toeing policy.

ROK-U.S. Meeting on Trade Issues Denounced

SK2112053590 Pyongyang KCNA in English 0436 GMT 21 Dec 90

["Treacherous Act of South Korean Authorities"—KCNA headline]

[Text] Pyongyang December 21 (KCNA)—The director of the Trade Department of the South Korean puppet Foreign Ministry and a U.S. deputy trade representative met in Seoul on December 17 and discussed "pending trade issues" between South Korea and the United States and proposals to cope with the Uruguay Round, the proposals which will only benefit the U.S. imperialists, according to a radio report from Seoul.

The U.S. deputy trade representative forced the South Korean authorities to protect the U.S. intellectual property, demanding them not to impose restrictions on imports of U.S. products in South Korea.

In compliance with this demand, the Trade Department director promised to take some steps such as publishing the variety of imports and import timetable within the first quarter of next year and simplifying the quarantine of agricultural produce.

The authorities' subservience to the U.S. imperialist masters shows that they are despicable colonial stooges.

U.S. Aerial 'Combined Strike' Exercise Reported

SK2112050690 Pyongyang KCNA in English 0420 GMT 21 Dec 90

[Text] Pyongyang December 21 (KCNA)—The Pacific Air Force Command of the U.S. imperialist aggression forces brought several formations of FA-18 pursuit-assault planes to the sky above Yoju and Kunwi of South Korea from the Iwakuni Air Base in Japan on December 18 to stage a frantic combined strike exercise for a surprise attack on targets in the inland area of the northern half of Korea in cooperation with F-16, F-4, F-5, A-37, OA-10 and other fighter bombers, assault planes and airborne warning and control planes of the U.S. Seventh Air Force and the puppet army, according to military sources.

The warplanes mobilized in the aerial war exercise numbered more than 80.

On the same day the U.S. imperialists let Guam-based KC- 135 mid-air tanker fly over Kunsan and Kwangju for such a real war exercise as mid-air refuelling operation for F-16, OA-10 and other 20 fighter bombers and airborne warning and control planes of the U.S. Seventh Air Force and the puppet army.

And they brought again E-3 AWACS plane to the sky above the military demarcation line from the Kadena Air Base in Okinawa for an aerial espionage on the area of our side, as well as commanding the flying corps mobilised in an aerial war exercise, and committed a criminal mock nuclear-bomb dropping exercise in the sky above the Korean West Sea with the mobilization of F-16 fighter bombers of the U.S. Seventh Air Force.

In another development on the same day the South Korean puppets staged an attack exercise against the North in the Tongduchon area, a naval operation in the Korean West Sea and a parachuting exercise in the sky above Seoul.

All the facts clearly show that "detente" and "peaceful unification" loud-mouthed by the U.S. imperialists and the South Korean puppets are all hypocrisy and they are persistently seeking only war.

Gorbachev's Remarks on Domestic Crisis Noted

SK2112044290 Pyongyang Domestic Service in Korean 1200 GMT 20 Dec 90

[Text] According to a report by the Soviet news agency TASS, Soviet President Mikhail Gorbachev in his report at the 4th session of the Congress of People's Deputies talked about the situation in the country.

He said that today the situation in the country is grave, and he pointed out that the crises in the economy, society, and politics, and crisis in relations among nationalities are becoming worse; that stability and order have been destroyed; and that therefore each person, each home, working group, and the whole country feel this crisis.

He pointed out: Society is enveloped in great anxiety about today and the future. In such a situation, dissatisfaction over the activities of the center, the republics, local government bodies, and executive power organs in particular is growing worse. More frequently raised is the question of whether or not the adoption of restructuring is correct, whether or not the chosen direction and target are correct, and whether or not we have taken a wrong road.

The people want to clearly know the cause of the prevailing situation and want to try to expose the essence of the prevailing situation. This is a very serious issue. We are, in fact, faced with a crisis.

He said that they are, in fact, faced with a very difficult situation. He went on to say: The leading staff of the country have made great mistakes in the process of restructuring. We have underestimated the degree of the crisis facing society. There have been indiscreet and hasty decisions in carrying out economic and political restructuring.

Pointing out that the country has been recently faced with the situation that republics and other ethnic and territorial organization bodies are ignoring the current Constitution of the Soviet Union, while promulgating all changes on their legal status, he revealed that some situations—such as troubles between nationalities, separatism, and others—have brought about sharp confrontation, worsening of stability in the people's living, and other tragic situations in (Zakagap) regions, republics in the Baltic, Uzbekistan, and Moldava.

As for the economic situation of the country, he pointed out: The situation prevailing now is not a simple phenomenon caused by lack of commodities. It is a consequence of disorder, lack of control, and criminal irresponsibility for the people. In addition, this is because trade relations among republics and states, and economic relations were broken, and normal relations between cities and rural areas were destroyed. Moscow, Leningrad, (Swedulrosk), (Cheliabinsk), (Kemerov), and Kharovsk, and other industrial center areas are in the most difficult situation.

Saying that rising food prices will deal a blow to the living standard of many people, he added that rising food prices have already started and everyone has felt this.

Referring to measures to overcome the crisis facing the country, the president said that the toughest actions are needed under the existing situation.

TASS Report on Market Economy Poll Cited

SK2012044890 Pyongyang Domestic Service in Korean 2200 GMT 18 Dec 90

[Text] According to a report by the Soviet TASS news agency, some time ago, the Soviet State Statistic Committee conducted an opinion survey with 30,000 residents throughout the country excepting Lithuania.

TASS news agency pointed that the survey on social opinion found that most of the Soviet residents take a negative attitude toward the transition of current Soviet economy into market economy.

TASS news agency reported that 40.6 percent of the respondents entirely opposed a plan of formation of market price, and only 9.9 percent took positive attitude toward this question, and that only 4.9 percent supported the plan in Tajikstan.

The Soviet TASS news agency reports that experts regard the results of this opinion survey as a sharp increase of dissatisfaction over living conditions and standards, because the people are generally skeptical about the future.

And, TASS news agency pointed out that 78 percent think that the prices of most commodities and services will be rapidly increased, when transition of market economy is conducted.

PRC Minister on UN in Korean War, Gulf Crisis

SK2012041490 Pyongyang Domestic Service in Korean 2100 GMT 18 Dec 90

[Text] According to the 17 December edition of China's RENMIN RIBAO, in a recent interview with Chinese Foreign Minister Qian Qichen by a RENMIN RIBAO reporter, he talked about the decision by vote at the United Nations Security Council regarding the use of force in the Gulf which is in crisis and said that the Korean war was ignited under the name of the United Nations.

He indicated that China not only adheres to principles, advocates justice, and assumes responsibility for international safety at the United Nations Security Council, but that it also adheres to the attitude of bearing responsibility before history.

He said that China votes in favor of all resolutions to resolve the Gulf crisis in a peaceful way but cannot approve of the United Nations claiming to exercise force and apply the method of war upon the authorization of various countries, and said that regarding this issue, we must bear responsibility before history.

He said that the Chinese people vividly remember the past Korean war which was ignited under the name of the United Nations.

Founding Ceremony for Joint Venture With SRV

SK2112115590 Pyongyang KCNA in English 1034 GMT 21 Dec 90

[Text] Pyongyang December 21 (KCNA)—A ceremony for founding the Korea-Vietnam joint venture sericulture company was held in Vietnam on December 14.

The two governments' letters approving the foundation of the company were respectively read out and congratulatory speeches made at the ceremomy.

Economic, Trade Relations With Cuba Marked

SK2012042290 Pyongyang Domestic Service in Korean 1300 GMT 18 Dec 90

[Text] On the occasion of the 30th anniversary of establishing economic and trade relations between our country and the Republic of Cuba, a banquet was held in our country's embassy in Cuba on 11 December.

At the banquet were Ricardo Cabrisa, minister of foreign relations; chairman of the national council of the technology system of automation and computer; minister of domestic trade; and vice chairmen of the national economic cooperative council; and other functionaries concerned.

Our country's ambassador to Cuba and embassy officials attended the banquet.

The banquet participants toasted the long life and good health of the great leader Comrade Kim Il-song, the long life and good health of dear leader Comrade Kim Chong-il, the long life and good health of Comrade Fidel Castro Ruz, supreme leader of the Cuban Revolution, and the militant and revolutionary friendship and solidarity between Korea and Cuba.

Cultural Agreement Plan Signed With Egypt

SK2012104590 Pyongyang KCNA in English 1001 GMT 20 Dec 90

[Text] Pyongyang December 20 (KCNA)—A 1991-1992 working plan for the implementation of a cultural agreement was signed in Cairo on December 5 between the governments of the Democratic People's Republic of Korea and the Arab Republic of Egypt.

It was signed on the Korean side by Pak Tong-chun, vice-chairman of the Committee for Cultural Relations With Foreign Countries, who was heading a Korean Government cultural delegation, and on the Egyptian side by Gupta, director of the Cultural Relations and Technical Cooperation Department of the Ministry of Foreign Affairs.

Hiroshima Group To Probe Conscription of Koreans

SK1812050090 Pyongyang KCNA in English
0436 GMT 18 Dec 90

[Text] Tokyo December 16 (KNS-KCNA)—The inaugural meeting of the Hiroshima Prefectural Society for Probe Into the Labour Conscription of Koreans was recently held in Japan.

The society mainly comprising Japanese citizens will reportedly carry on various activities, such as requests for opening to the public data about the truth behind the labour conscription and forced labour imposed upon Koreans by the Japanese imperialists during World War II and collection of verbal evidences, in the prefecture, cities and enterprises in the future.

Earlier, on November 29, the Osaka Prefectural Group for Probing the Labour Conscription of Koreans was inaugurated.

Performance Honoring Disabled Soldiers Held

SK2112062090 Pyongyang KCNA in English
0457 GMT 21 Dec 90

[Text] Pyongyang December 21 (KCNA)—Diplomatic envoys and foreign guests in Korea saw the national art circle performance of honored disabled soldiers at the February 8 House of Culture on December 20.

Invited to the performance were diplomatic envoys and officials of foreign embassies, foreign guests staying in Korea and foreign students.

Kim Chae-suk, vice-minister of foreign affairs, Kim Pong-hui, vice-chairman of the Central Committee of the General Federation of Trade Unions of Korea, other officials concerned, working people in the city and soldiers of the Korean People's Army saw the performance together with the guests.

Performers put on the stage colourful numbers showing the worthwhile life of the honored disabled soldiers who keep the flower of revolution in bloom and their wives and their firm will and faith to faithfully follow the party.

The performance was loudly applauded by the audiences for its high ideological and artistic value.

A flower basket was presented to the performers for their successful performance.

O Chin-u Sends Greetings to SFRY Counterpart

SK2112112490 Pyongyang KCNA in English
1038 GMT 21 Dec 90

[Text] Pyongyang December 21 (KCNA)—O Chin-u, vice-marshal of the Korean People's Army and minister of People's Armed Forces sent a message of greetings to General Veliko Kadijevic, federal secretary for National Defence of the Socialist Federal Republic of Yugoslavia, on the founding anniversary of the Yugoslav People's Army.

Expressing the belief that the friendly and cooperative relations between the two armed forces will further expand and develop in the interests of the two peoples, the message wishes him greater success in his responsible work to strengthen the defence power of the country.

Greets SRV Minister

SK2112115890 Pyongyang KCNA in English
1034 GMT 21 Dec 90

[Text] Pyongyang December 21 (KCNA)—Vice Marshal of the Korean People's Army O Chin-u, minister of people's armed forces, sent a message of greetings to General Le Duc Anh, minister of national defence of the Socialist Republic of Vietnam, on the occasion of the 46th anniversary of the founding of the Vietnamese People's Army.

He expressed the belief that the friendly relations between the armies of the two countries will constantly grow stronger and develop in the course of the struggle for the accomplishment of the cause of socialism, and sincerely wished the Vietnamese defence minister great success in his responsible work for increasing defence capabilities.

KCNA Reviews 21 Dec Pyongyang Press

SK2112064490 Pyongyang KCNA in English
0500 GMT 21 Dec 90

[Text] Pyongyang December 21 (KCNA)—Papers here today carry news that the great leader President Kim Il-song's immortal classical works were reported abroad.

NODONG SINMUN reports that President Kim Il-song of the Democratic People's Republic of Korea received messages from Ramiz Alia, president of the Presidium of the People's Assembly of the People's Socialist Republic of Albania, and Vaclav Havel, president of the Czech and Slovak Federative Republic, in reply to his messages of greetings respectively on the occasion of the 46th anniversary of the liberation of Albania and the victory of the people's revolution and the 72nd anniversary of the formation of the independent Czechoslovak state.

Works of dear Comrade Kim Chong-il were reported and deeply studied in different countries, says the press.

NODONG SINMUN reports that South Korean people are revering Comrade Kim Chong-il as the lodestar of the nation.

Echoed in the paper are repercussions of the reply letter of Comrade Kim Chong-il to the members of the second party cell of the department No. 5 of the Korean Central

News Agency upon party members and other working people throughout the country.

The paper carries an article dealing with imperishable exploits of Comrade Kim Chong-suk, an indomitable communist revolutionary fighter, in consolidating our revolutionary ranks with the great General Comrade Kim Il-song in the van into ranks of loyal communist revolutionaries of chuche type in the period of the anti-Japanese revolutionary Struggle.

The paper runs an article captioned "Firmness of Our People's Confidence in Socialism".

Econews of the press includes reports that the Yongsong general bureau of machine industry fulfilled its yearly assignment, and hydro-power stations under the Commission of Power Industry are increasing power output.

It is reported in NODONG SINMUN that the general secretary of the Revolutionary Socialist Party of Peru met a delegation of the Workers' Party of Korea and diplomatic envoys and foreign guests in Pyongyang appreciated a national art circle performance of honored disabled soldiers.

It is entirely natural that pressmen of South Korea denounce the group assault on a cameraman and demand the authorities to guarantee free press activity, says the paper in a commentary.

The paper carries an article on the growing desire of South Korean students and people for reunification contributed by its reporters who have been to Seoul to cover the third North-South High-Level Talks.

Included in the South Korean news columns of the press are reports that Rev. Mun Ik-hwan criticized the fascist clique for threatening to imprison him again and that farmers in six areas in South Cholla Province staged demonstrations in demand of higher purchase price of rice.

NODONG SINMUN gives an account of a world conference of Christians for discussing a five year plan for joint work till 1995, the year of jubilee for peace and reunification of Korea which was held in Switzerland.

According to the paper, the first secretary of the Central Committee of the Bolivian Communist Party stressed that the Workers' Party of Korea has built Korean-style socialism most excellent in the world on the basis of the chuche idea, and an official of the Angolan Youth Organisation said in a press interview that the reality of Korea gives confidence in socialism.

Reported in the press is news that CHINESE PEOPLE'S DAILY referred to the Korean visit by Comrade Jiang Zemin in March this year, a national working conference of China on Taiwan affairs called for making efforts for the realisation of complete reunification of the country, the premier of the State Council of China visited Sri Lanka, the Soviet president referred to the serious situation in the country, citizens and people's deputies of the RSFSR supported the Soviet and choice of socialism, the Palestinian president called for averting a Gulf war, the Indian prime minister said India would not follow the dictates of any foreign country, the Indonesian president urged environmental protection, and the UN secretary general denounced Israel's scheme to deport Palestinians from occupied Arab land.

In an article titled "U.S. Imperialists' Commitment to Freedom is Slogan of Domination and Plunder" NODONG SINMUN says that the U.S. imperialists are intensifying aggression and war moves under the signboard of implementing their "commitment".

The paper introduces economic briefs from Madagascar, Ethiopia, Iran, Egypt, Mozambique, Afghanistan, Peru, Nepal and India.

Kim Chong-il on Light Industrial Production

SK1912132290 Pyongyang Domestic Service in Korean 2300 GMT 13 Dec 90

[Text] Dear Comrade Kim Chong-il, who has always paid much attention to improving the people's standard of living, sent a great number of samples to the light industry sectors to increase the quantity of the people's consumer goods and to improve their quality.

Among the samples, which would be helpful for the production of the people's consumer goods, there are many kinds of outstanding light industrial products, such as garments, clothes, underwear, shoes, household utensils, and daily necessities.

In recent years, dear Comrade Kim Chong-il has sent a variety of samples to the light industry sectors on several occasions. As a result, there are approximately 25,600 samples of goods out of 8,300 kinds at the central light industrial products exhibition.

These samples are examples of the great consideration that our party has for the light industry sectors to outstandingly solve the issues of the people's consumer goods quickly. It will do this by inspiring a revolution in light industry in conformity with the aspiration and demand of the popular masses.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the party Central Committee, has indicated: Only when the quantity of the people's consumer goods has been increased and its quality improved can we smoothly guarantee the people their rich material and cultural life.

In his numerous historic works—the works on further enhancing the people's standard of living and on thoroughly fulfilling the revolution of the light industry—dear Comrade Kim Chong-il has elucidated the intrinsic nature, significance, task, and method of the light industrial revolution. By wisely leading the work, he has prepared many kinds of samples of goods for increasing the quantity of the people's consumer goods and for improving their quality with the creative development of the light industrial products based on samples.

By continuing to send samples to the light industry this year, too, he has taken measures to display the people's consumer goods on the occasion of the national light industry exhibition. Of the samples of goods at the exhibition, some 1,390 high-quality products of 500 sorts were sent by him as samples.

Among these samples are vinalon products, many kinds of shoes, orlon products, household utensils, and ceramic wares, including knitwears. When the great leader saw these at the exhibition he said that "if there is vinalon, we can produce everything."

In particular, dear Comrade Kim Chong-il has sent a great number of shoe samples to the exhibition for many years in order to qualitatively produce a variety of modern shoes. He has not only sent a variety of shoe samples such as sandals and shoes on several occasions, but he has also sent video tapes on which scenes of technology and shoe production processes have been recorded. He has provided the shoe production facilities in conformity with the aspiration and demand of our people and the trend of the development of shoe production based on modern science and technology.

Dear Comrade Kim Chong-il, paying much attention to children's toys and consumer goods, has led us to properly produce the samples. Among the samples, there are various and good looking buttons, 850 pieces and 17 sets, which were produced in Pyongyang and South Hamgyongnam Province. They are also convenient for use.

Among the samples of the light industrial products, there are (yagdol) pans, (yagdol pulgoki) pans that warm our people's heart.

Workers of a plant heartily made pans and bulgoki pans with the valuable yagdol that is good for health and long life, thus unanimously wishing dear Comrade Kim Chong-il long life. They then presented the pans to him as gift.

By the way, he sent them back as samples for massive production so that the people could use them. Among the samples, there are various products that would be helpful for the efforts of the functionaries and technicians who are engaged in light industry sectors to normalize the production of the people's consumer goods at a higher level. This will enable them to understand the trend of light industry development in various countries of the world.

Today, the plants and enterprises in the light industry make good use of the samples which were sent by dear Comrade Kim Chong-il. They have increased the quantity of the people's consumer goods and have improved their quality. The workers and technicians, taking them as examples, have achieved remarkable success in the various fields of the people's consumer goods production—clothes, underwear, shoes, and household utensils—by vigorously struggling for increased production of the light industrial products with good quality.

When we strive to creatively and constantly develop the samples, which were sent by dear Comrade Kim Chong-il, and to increase their production amid the flame of the revolution in light industry, a variety of the people's high-quality consumer goods will be produced, thus making our people's material and cultural life more brilliant.

Modernization of Light Industry Reported

SK2112041890 Pyongyang KCNA in English 0359 GMT 21 Dec 90

[Text] Pyongyang December 20 (KCNA)—Modernization of light industry factories is making headway briskly in Korea.

A project is under way at the Pyongyang textile combine to newly instal spinning equipment for 100,000 spindles.

And weaving equipment is replaced with up-to-date one and the dyeing process is replenished along modern lines. At the Sunchon and Sariwon shoes factories projects to create new automatic shoes production processes with an annual capacity of hundreds of thousands of pairs each reached the finishing stage and went into partial production. Silk mills under the Korean silk company are working to realize computerization and robotization, while vigorously accelerating the automation of production processes. Besides, modernization of equipment is in full swing at more than 20 factories including the Sariwon and Kaesong textile mills and the Hamhung woollen textile mill.

Production and production capacities have largely increased this year as many units have already been remodelled on modern lines.

July 6 porcelain factory whose all production processes are automatized has been built in Kyongsong area, a famous ceramic ware producer of the country. Many good quality goods are produced there.

A modern injection-moulding shop which annually produces several million pairs of shoes was newly built at the Pyongyang vinyl chloride shoes factory to nearly double the production capacity of the factory.

The Sinuiju textile mill has pressed ahead with the replacement of the existing equipment with modern and high-'033$ 9,3, with the result that it has produced thousands of more tons of thread and nearly ten million more metres of fabrics.

Railways, Electrification Progressing Rapidly

SK1912110890 Pyongyang KCNA in English 1003 GMT 19 Dec 90

[Text] Pyongyang December 19 (KCNA)—The Democratic People's Republic of Korea is pressing ahead with new railway projects and railway electrification by increasing investment in railway transport.

Railway projects and railway electrification are progressing at a fast speed in the Namdong-Onchon, Anbyon-Onjongri and Tonae-Yupyong sections.

New railways of some 280 kilometres including the Hyesan-Manpo and Chongdan-Tokdal sections have been laid and opened to traffic in the past little more than two years.

This year alone, over 200 kilometres of railway sections including Wiyon-Motga and Taegon-Pongchang-Hannyong sections have been switched over to electric traction.

Railway electrification in Korea entered into the full-dress stage in the second half of the 1950s, right after the ceasefire.

More than 850 kilometres of sections were switched over to electric traction in the '60s, 1,600 km in the '70s and 1,440 km in the '80s.

As a result, the total extension length of railways of the country today increased by more than 3,360 km as compared with the figure of 1946, and a loopline of railway networks has been formed.

The sections switched over to electric traction including railway trunk lines, branch lines and sidings extend thousands of kilometres and the system of integrated transport by electric locomotives has been established successfully.

The proportion of traction by electric locomotives accounts for more than 90 percent in the railway freight transport.

The transit capacity of trains has increased 2.3 times in the past decade.

Railways have been remodeled along modern lines and the introduction of heavy-duty wagons and rails has been pushed ahead at an accelerated pace, and the material and technical equipment of railways replenished constantly.

Various coaches and wagons needed for railway freight transport including 8-axle electric locomotives and 100-ton wagons are being produced in large quantities at railway factories including the Kim Chong-tae General Electric Locomotive Factory and the June 4 General Rolling Stock Factory.

Projects for replacing the rails with heavy ones are progressing fast.

Working people in the domain of railway transport are more satisfactorily meeting the growing needs of the national economy for transport through the vigorous "drive for extra-haulage on schedule without accident to implement the resolutions of the 18th plenary meeting of the 5th Central Committee of the Workers' Party of Korea."

South Korea

U.S. Envoy Asked Not To Fuel Koreans' 'Wrath'

SK2012114190 Seoul HANGYORE SINMUN in Korean 20 Dec 90 p 2

[Editorial: "Do Not Force Cost-Sharing for U.S. Forces in Korea"]

[Text] An opposition lawmaker's question and the defense minister's testimony at the Budget Settlement Committee of the National Assembly on 15 December were a rare, exhilarating event which assured the people of the existence of the National Assembly. When Yi Sang-su, lawmaker of the Party for Peace and Democracy, argued that $50 million in labor expenses for Korean workers out of a total of $150 million earmarked for U.S. Forces in Korea is an expenditure without any legal ground, Defense Minister Yi Chong-ku answered that the expenditure cannot be paid before the ongoing negotiations over a revision of the Status of Forces Agreement [SOFA] has been concluded. Both the lawmaker, who carefully studied the pertinent stipulation which could have been overlooked, and raised the problem, and the defense minister, who acknowledged the $50 million for labor cost-sharing to be illegal and immediately agreed to cut it, showed a good example of defending national interests. The people who witnessed this process may have taken pride in our National Assembly which "is able to do such a thing."

However, our thankfulness and expectation have perished. This is because the next day the U.S. ambassador in Korea sent the Korean Foreign Ministry a letter urging the revocation of the decision to cut the budget. This may be "something possible" as unofficially expressed by a foreign ministry official. On the part of the recipient of such a request, however, such a thing should be regarded as "something that cannot take place." This is the case with us. The deputy prime minister stated that "I understand that there is a problem in terms of procedure, the cutting of the budget is difficult when the current Korean-U.S. relations are taken into account." This causes us to worry. In other words, if we are virtually blocked from saying that "even though the current Korean- U.S. relations are taken into account, the cutting of the budget is inevitable because there is a problem in terms of procedure," the ambassador's request does not become a simple one. His request obviously amounts to an act of interfering in domestic affairs, even if there were no condemnation on the part of the opposition party.

Of course, the U.S. ambassador inflicted such coercion on us because the negotiations over a revision of SOFA will be wound up before long. This being the case, the question of labor cost-sharing can be discussed after that. We cannot understand the act of the United States which forces an illegal practice on us, despite the fact that there are means to "legally solve" the problem such as diverting reserve funds or drawing up a supplementary budget. Furthermore, the fact that a foreign ambassador has an effect on drawing up the budget of a sovereign state arouses our indignation beyond displeasure. The U.S. Administration honors the authority of its Congress to the extent that it never fails to report even unfairness in foreign banking practices to the Congress. This being the case, it is natural to equally honor the efforts of the Korean Government to respect the decision of the National Assembly according to the law. We gravely request that the U.S. ambassador refrain from such a rash act as fueling the wrath of the Korean people when the current Korean-U.S. relations are in confusion.

U.S. Wheat Found To Contain Poison

SK2012060290 Seoul CHUNGANG ILBO in Korean 12 Dec 90 p 7

[Text] At a time when our country has come under mounting pressure from advanced countries to open up its agricultural markets, wheat imported from the United States has been found, for the first time, to contain (deoxynibarenol) [DON], a strong poison produced by bacteria called eumycetes, according to a test. As this poison, if eaten, destroys marrow cells in the human body, it is shocking news.

Meanwhile, it was reported that barley, corn, and kaoliang grown in some regions of our country also contain a high degree of not only DON, but also (nivarenol) [NIV], a poisonous fungus similar to DON, as a result of a test. This poses great hazards to public health.

These results have been found after a Seoul National University pharmacognosy research team led by Prof. Chang Il-mu in 1989 tested 28 samples drawn from two different species of grains, such as corn and wheat imported from South Africa and the United States, and five different species of grains grown in six regions, including Kyonggi, South Cholla, South Chungchong, North Kyongsang, and Kangwon Provinces, to see whether these grains contain any degree of contamination of (?tricodecine fungy poison). The research team also tested at total of 34 samples, including four kinds of soft drinks made of barley being produced by 4 domestic soft drink makers.

According to the test, 230 micrograms of DON were found in U.S. wheat imported last year. This is the first time ever that a poison other than the residue of pesticides or (?aplatoxin) has been found in grains imported from foreign countries.

From barley grown in the country, from Muan, South Cholla Province, Chongson, Kangwon Province, Puyo, South Chungchong Province; from corn grown in Muan; and kaoliang grown in Puyo, between 168 and 560 microgram of the DON has been extracted from each 1-kg sample. The DON was found in only five out of 32 domestic samples.

Meanwhile, the NIV was found from barley grown in Muan and Kanghwa, Kyonggi Province; from corn grown in Muan; and from kaoliang grown in Puyo, between 189 and 340 micrograms from each 1-kg sample. NIV was found in only 4 out of 32 samples.

The DON and NIV are strong poisons that are produced from (?tricodecine), a fungus known as Husarium. When these poisons are in a state of high concentration, they can cause bleeding on human skin by a mere scratch. Even in a state of low density concentration, they also can cause internal bleeding and destruction of marrow cells if they are eaten. An animal experiment on mice revealed that 5 milligram per kilogram is enough to cause death. This being the case, these poisons found in grains means a considerable amount, even though they may be in a state of low concentration.

In the case of (?aplatoxin), a cancer-causing material, the amount of fungus-produced poison tolerated in domestic foodstuffs is below the level of 10 microgram per kilogram. However, the amount of tolerable DON and NIV have yet to be standardized.

Official Cited on Size of Team Spirit Exercise

SK2112010790 Seoul KOREA DAILY in English 21 Dec 90 p 2

[Text] Korea and the United States plan to reduce the size of the 1991 Joint Korea-U.S. Team Spirit Military Exercise by about 30 percent from this year's, a local report said yesterday.

It said some American troops would be flown from the continental United States to take part in the exercise as before in addition to South Korean forces and those American troops stationed in Korea.

Quoting a senior Seoul government official, the report said the two countries have reached a tentative agreement on the size of the exercise taking into account the fact that a large number of American troops have been deployed to the Persian Gulf area and that North and South are having a series of high-level talks.

The only issue that remains to be agreed on concerns the method of airlift of American troops from the United States, it said.

The Team Spirit exercise is held in February and March, and last year some 150,000 Korean and 50,000 American troops including some from the United States participated in the war game. North Korea has been persistently demanding a halt to the annual military exercise, denouncing it as a "nuclear war game" directed agaisnt the North. More recently, Pyongyang insisted that if the Team Spirit cannot be halted altogether, it should be suspended while the inter-Korean dialogue goes on.

'Shock' Expressed at Shevardnadze's Resignation

SK2112033890 Seoul YONHAP in English 0244 GMT 21 Dec 90

[Text] Seoul, Dec. 21 (YONHAP)—Foreign Minister Choe Ho-chung expressed shock and regret Friday at the resignation of Soviet Foreign Minister Eduard Shevardnadze.

"It is indeed shocking and regrettable that Foreign Minister Shevardnadze has made the surprising announcement. He has a very comprehensive understanding about our country and has always held a positive attitude toward us, as seen at the time of the signing of diplomatic relations and Korea-Soviet summit meetings.

"We hope there will be no change in Soviet foreign policy to bring forth reform, openness and new thinking and the good-neighbor, cooperative relations between our two countries will develop steadily," Choe said commenting on Shevardnadze's resignation.

He said he was impressed by Shevardnadze's remark that he was resigning to oppose a revival of dictatorship and to protect freedom and democracy. Korea and the Soviet Union established diplomatic relations on Sept. 30.

Soviet Official on Developing Seoul-Moscow Ties

SK2112013790 Seoul THE KOREA HERALD (SUPPLEMENT) in English 21 Dec 90 p 4

[Text of paper presented by Vasiliy Mikheev, deputy chief of the Asian Socialist countries Department at the Soviet Institute for International Economic and Political Studies, to a recent seminar in Seoul: "The USSR-Korea: gains or losses?"]

[Text] The ice is broken. September 1990 would go down in history of Korea as a start of a new stage in the life of the nation. The Korean situation has revealed the signs of a gradual change out of the long-prevailing unstable equilibrium. The two meetings of E. Shevardnadze with his counterparts in Pyongyang and Seoul logically completed the long period before the thunderstorm—or a fore stage of big hopes in the Soviet-Korean relations.

The Soviet policy in Korea starts at last to acquire the features and the orientation that should have characterized it in terms of the new thinking. It should have been so, but these features and orientation were barred by the strong bureaucratic opposition to the common sense in Soviet foreign-policy related organizations. The inevitable, though rather protracted destruction of stereotypes has led to the Sept. 30 decision on establishment of diplomatic relations with the Republic of Korea.

Unlike some distinguished authors, I cannot agree that the Soviet Union needs diplomatic relations with Seoul primarily for curing the ill Soviet economy through Korean assistance. These relations are needed to fill the still-existing vacuum of political communication between and among the nations in the general Asian-Pacific structure of international relations. To reject normal contacts with any country only because the third side, let it be even our formal ally, objects it, does not blend very well with the new philosophy of foreign policy.

The Moscow-taken decision on diplomatic recognition of the ROK, and the clarification on Soviet position given to Pyongyang in the course of a short visit by the Soviet Foreign Minister earlier in September, caused a negative or rather an aggressively offensive response in the North. Such turn of developments was not unexpected for Korea specialists, though until last September there still remained hopes that the DPRK would manifest wisdom, flexibility and good understanding of the present realities.

But, this did not happen. Pyongyang chose to aggravate relations with Moscow by "warning" (the term "threatening" seems more appropriate here!) the Soviet Union that it would formalize its participation in the Treaty on Alliance of 1961; establish diplomatic relations with Japan; support Japanese claims on Northern Territories; Pyongyang also hinted on the possible development of its own nuclear weapons and establishment—to spite Moscow—of diplomatic relations with Lithuania, Russia and other constituent republics.

Bearing in mind the failure in economic cooperation—the DPRK has fulfilled its trade commitments for January-August 1990 by less than 30 percent—we have all the reasons to state the started crisis in Soviet-North Korean relations.

So, as a wise conservative could say, the losses in cooperation with the DPRK are evident. What are they compensated with? Seoul is not too willing to inject remedies into the dying Soviet economy. Besides, by fault of the same conservatives and over-cautious people from the diplomatic service, the chance of "exchanging" diplomatic relations for $5-7 billion worth of credit has been missed two or three years ago.

But, with the more attentive look at the situation, we may really have some doubts about those "losses." Moscow and Pyongyang have always had disagreements in the spheres of economy, policy, and ideology. The disagreements mounted ever higher, as the Soviet Union started to dismantle its administrative system.

The DPRK does not accept the ideas of perestroyka; continues (in words and in deeds) to defend the idea of intensification of class struggle up to the victory of communism as well as the concept of "the strong leader—the strong state"; assesses deideologization, pluralism and market relations as "concessions to capitalism"; and goes on with its "anti-imperialist course" which in fact means the willingness of its leaders to isolate themselves and the nation from the global trends of interaction, openness, and cooperation.

As long as such disagreements did not go beyond the framework of Soviet-North Korean relations, Moscow preferred to soften them, to "wink" at the differences and to emphasize the traditional character of its ties with Pyongyang. The Soviet Union supplied oil and weapons, carried negotiations on construction of the atomic energy plant in the DPRK, and voiced support to, in fact, all North Korean proposals on the Korean problem.

But, as soon as Pyongyang's positions became a real hindrance for the new Asian-Pacific policy of the Soviet Union that implies normalization of relations with all states in the region, the apparent peace in the Soviet-DPRK ties was broken. In fact, there started the disarrangement of the old structure of connections between the two totalitarian regimes that had been resting upon the similarity of interests of Soviet and North Korean partocracies.

Because of the logics of perestroyka processes in the Soviet Union, this should have happened sooner or later, and the losses can be seen here only through the measuring optics of the stagnation period. The growing incompatibility of Soviet and South Korean societies would have anyway posed a problem of reforming our relations that involved two power-monopolizing parties, two centralized economies, and two anti-American lines of behavior in global affairs. Thus the South Korean factor was just a catalyst but not the main cause of the process.

The above-mentioned "warnings" of the DPRK can also be referred to losses. But these are the losses of "it would be better if did not happen"-type. "Warnings" on formalization of Pyongyang's part in the Treaty on Alliance are, in practice, insignificant militarily, at least because the new international climate provides political guarantees for prevention of the global and regional conflicts between the great powers. Economically and culturally, this formalization would be more harmful rather for the DPRK itself, since it brings about its more extreme isolation and new economic and intellectual losses.

Better relations between Pyongyang and Tokyo could have wounded Moscow's self-esteem only in the time of stagnation, when Japan was seen as a strategic adversary, and desertion "in its side" by a partner of the Soviet Union could be perceived as a threat to Soviet interests in East Asia. Today diplomatic relations between Pyongyang and Tokyo would be beneficial for the Soviet Union, because they also would fill the vacuum in interstate contacts in the region. Here again North Korea is "striking" rather against itself and its "position of principle" in objecting any form of "cross recognition" of South Korea by the Soviet Union and China, and North Korea by the United States and Japan.

The "Northern Territories" issue can be solved only within the framework of Soviet-Japanese relations, and the attitude of the DPRK can neither positively nor negatively influence its solution.

As far as diplomatic relations with Soviet constituent republics are concerned, establishment of such relations with the DPRK (who has the image of totalitarian and anti-perestroyka state) would hardly help Lithuania or any other republic to attain the state sovereignty.

The hint at having own nuclear weapons is a serious and concern-raising fact, especially if we bear in mind the anxiety of the world community about nuclear development in Pyongyang. But development of atomic weapons is related not so much to Soviet-South Korean relations but rather to realization of DPRK's own military doctrine. Besides, nuclear ambitions do not contribute to improvement of the DPRK's position in the world community. So, it does not become very clear how North Korea is going to combine its nuclear policy and the search of new partners in the West under conditions of more loose economic and political ties with the Soviet Union.

Thus, the Soviet step "to the South" did lead to "losses" in relations with the DPRK, these were the losses of "gains" that matched the logics of old political thinking only.

Now, what about real gains? I'd say again that normalization with a dynamic and influential neighbor country is in itself the unconditional gain. Diplomatic recognition creates new opportunities that can be realized in the interests of economic reforms in the USSR as well as strengthening security in Northeast Asia. But these opportunities cannot be used automatically. This process requires efforts be taken on both sides. To prevent disappointments, it is most important not to be late in getting rid of euphoria about each side's potentials.

This mention is made because only if and when the full-blooded market is developed in our country, it will be possible to have an efficient and mutually beneficial economic interaction between the Soviet Union and South Korea in every field. Though, some individual good projects can be realized successfully even now. But in the short-term perspective, cooperation could be developed mainly in the form of Seoul's and other Western assistance in surmounting the difficulties of the first post-shock period of transition to market economy in the Soviet Union.

Political cooperation between Moscow and Seoul, which is not detrimental to American, Japanese, Chinese, North Korean or whoever else's interests, appears no less important. This must be a cooperation aimed at development of new regional structures of security in the broad sense of the world, with due consideration of its economic and environmental components and the tasks of struggle against group and state terrorism. Here a difficult and long road is ahead of us, but we must pass it, so that gains of diplomatic normalization between the Soviet Union and Republic of Korea would become evident, undisputable and tangible.

What comes next? Can we say that all bastions of previous USSR-DPRK relations have dashed to the ground, and there is no way to retreat?

Such a judgment seems premature so far. Pyongyang was outwardly quiet and did not make any official demarches about Soviet participation in the Seoul Olympics, or about exchange of trade missions and consular groups between the Soviet Union and South Korea. Though, its response to diplomatic recognition of the South was more painful. But, so far the DPRK still has something to lose. Though these would-be losses of Pyongyang can be easily transformed into its gains, if North Korean leadership takes another philosophical position in foreign policy, i.e. the position of recognizing realities, seeking the balance of interests, and realizing its objectives through dialogue and compromises.

Then come the issues on which the Soviet position is not clear enough: admission of South Korea into the United Nations, the presence of US troops and tactical nuclear weapons in South Korea, the DPRK peaceful initiative on the Korean peninsula. Not so long ago we ardently objected to the separate admission of the South into the U.N., sweepingly condemned U.S. military presence, and officially supported all North Korean ideas. Until these "bastions" are surrendered, Pyongyang would try to preserve—in some form—the older structures of its ties with the USSR, that have not been totally destroyed by the winds of change.

But, the logics of full-fledged diplomatic relations between the USSR and ROK would inevitably correct the Soviet position. Official recognition of Seoul would make it impossible for the Soviet Union to block its admission to the United Nations. Dangerous nuclear development in North Korea makes us give new assessments to U.S. military presence. Such presence was unacceptable for Moscow under conditions of global and regional confrontation between the Soviet Union and United States. But such an approach can be corrected with the starting Soviet-American cooperation in global and regional security affairs. The U.S. military presence can be seen as a factor helping to maintain stability on the Korean peninsula rather than as a threat to our Far Eastern areas.

As for Pyongyang's initiatives, the Soviet Union while maintaining contacts with both Korean states, would be constrained to consider proposals of the North in terms of their acceptability for the South as well. Though of course, any let them be even hardly feasible, initiatives of Pyongyang aimed at development of the intra-Korean dialogue, are better than full absence of such initiatives.

Thus the question of the prospects for Soviet policy in Korea can be divided in the two parts. In a short-term perspective, after establishment of diplomatic relations; Moscow and Seoul will have changes to construct new relations of joint action in the fields of economy, policy and security. On the other hand, the last remaining bastions of stagnation along Moscow-Pyongyang axis would dash to the ground, and this most probably would be accompanied by aggravation of bilateral relations, more frequent North Korean attacks on the domestic political processes in the USSR, and curbing of humanitarian, economic, and cultural cooperation.

In a longer-term perspective, Soviet-South Korean relations would go through a rather difficult period which would require serious efforts, mutual knowledge, tolerance and good will in order to enable both sides to maintain the positive momentum in their contacts, gained in the late 1960s. This period would require realism in each other's assessments, and the good skill of professional politicians (hopefully, not a dismissed party official but a professional Korea specialist would become the first Soviet ambassador to Seoul) in architecting a new building of bilateral relations on the previously empty plot.

In the USSR-DPRK relations, the crisis would inevitably be followed by Pyongyang's adjustment to the new political realities on the peninsula and new economic relations within the Soviet Union. Economic relations with the Soviet Union make up more than half the trade and investment cooperation between North Korea and foreign partners, and it would not be easy for North Korea to replace its Soviet partner by someone else. Besides, geographic factors would induce the DPRK to look for other than partocratic platforms for its relations with the renovated union of Soviet states.

Of course, Pyongyang could again try to use a Chinese or Japanese factor in order to have some alternative orientations in foreign policy. And both Tokyo and Beijing might feel tempted (in old fashion again!) to use these efforts so that to counterpose their line of behavior in Korea against the line of Moscow. But it would be more rational to replace this temptation by the understanding of the need to coordinate international effort so that to involve Pyongyang into a dialogue, to drag it out and to also help in making Pyongyang's international activeness more civilized.

It is also worth noting another option, when Pyongyang could try just "to slam the door" and to deteriorate the situation on the peninsula. But this would only lead to a stronger international isolation and hence to aggravation of domestic economic and social crises. Then the stability of the regime itself would be jeopardized. That is why the good reason and common sense would most probably prevent from practical realization of this option.

To sum up, we may say: entering the 1990s, we are losing the old structure of ties in Korea, the structure that rested on the partocratic interpretation of national interests and understanding of the problem of "ours and others." What we are gaining are not heaps of gold or conflictless relations, but rather new problems in our cooperation with the DPRK. But, we are also gaining good chances to use economic potential of our neighbor—the Republic of Korea, and good chances to build a new security structure in the region.

Will we use these chances? Will they be used by our adversaries of yesterday and our allies of tomorrow?

IMEMO Researcher on Seoul-Moscow Cooperation

SK1912133290 Seoul HANGUK ILBO in Korean 16 Dec 90 p 7

[Exclusive interview with Dr. Aleksey (Zagorskiy), chief researcher for the World Economics and International Relations Institute, Moscow [IMEMO], by correspondent Yi Chang-hun on 15 November, in Moscow—first three paragraphs are editor's note]

[Text] In dealing with future matters regarding the issue of economic cooperation with the ROK, the Soviet Union hopes that relations can be strengthened on the private level rather than the government level.

It has also been learned that the Soviet Union wants joint ventures with the ROK which combine its superior technology in the basic scientific field with the ROK's commercial ideas.

On 15 December, Dr. Aleksey Zagorskiy [as published] (33), chief researcher and assistant director in charge of the Japan and Korea sections of IMEMO, a think tank in the Soviet Union, held an exclusive interview with the HANGUK ILBO reporter and revealed this opinion. He said that true economic cooperation between the Soviet Union and the ROK will have to be carried out prudently over a long period of time. Following is the exclusive interview:

[Yi] In summit talks between No Tae-u and Gorbachev, both sides agreed to bilaterally work for economic cooperation such as in the agreement to prevent double taxation. What is the future direction for cooperation between the two countries?

[(Zagorskiy)] When viewing the various fields of economic cooperation between the ROK and the Soviet Union, this reminds me first of all of the early stages of economic cooperation between Japan and the Soviet Union. During that time, Japan only showed interest in the development of the Soviet's natural resources and no constructive investments were made. As in the case with Japan, it seems that the ROK is also laying emphasis on the development of natural resources. Therefore, from a long-term point of view this will not be of much help in developing the economic level of both countries.

First of all, the ROK should show interest in the method of establishing joint venture businesses by applying your commercial technology to our basic scientific field which is technologically superior.

[Yi] Up to now Korean businessmen were still hesitant about advancing into the Soviet Union because they cannot convert the ruble.

[(Zagorskiy)] As you know, currently the Soviet economy is in a transitional period. In special economic fields such as the field of currency and finance, the Soviet Union is not able to move away from the past socialist system. The government is in a stalemate. Therefore, in the Soviet Union an effective economic policy has not been worked out nor has it been implemented. Under this condition, the ROK and the Soviet Union must first of all carry out economic cooperation from the private level rather than from the government level. Studies must be concretely made on the method of establishing joint venture businesses within the Soviet Union and then of exporting these products to third countries.

[Yi] Then, when do you think that the Soviet economy will change into a market-oriented economy?

[(Zagorskiy)] It will take a long time. In the last Supreme Soviet, Shatalin's 500-day reform proposal was not adopted. There are still many conservative groups that exist in the economics division of the Soviet Government. However, we cannot go back to the road we have walked. We must liquidate the relics of the old system and straighten out the wrong management of perestroyka which has been carried out since Gorbachev took power. If this is carried out, the Soviet Union will be able to participate in the world economy by cooperating with the United States and Japan, and as well as with the ROK.

[Yi] In what field should the ROK invest in the Soviet Union?

[(Zagorskiy)] It is difficult to point out in detail but in the private field prudent investment must be made gradually in the field of exporting products to third countries and, as for large-scale projects, this must be supported by the government level.

[Yi] How does the Soviet Union assess the ROK's economic capability?

[(Zagorskiy)] There are aspects where the ROK's economy is being overestimated compared to reality. The ROK is a member of the 10 biggest trading countries but it will still take a long time to catch up with Japan. The ROK says that it will provide an economic cooperative fund amounting to $3-5 billion to the Soviet Union, but from the view of the economic scale of the ROK, there are aspects where this is beyond its ability. Since the Soviet Union needs hard cash it would be good if the scale is large. However, it will be of help in the development of both countries if the ROK provides the cooperative fund from the private level rather than the government level.

[Yi] What is the level of manpower in the Soviet Union?

[(Zagorskiy)] Of course the education level is generally up to a certain level but it lacks quality. Also, since the Soviet workers are used to the past socialist system their way of life is very different from what the ROK thinks.

High quality labor is an important element in the joint venture projects but it will take time for the Soviet workers to be prepared.

[Yi] The Soviet Union has established a special economic zone in Nakhodka and is trying to attract foreign businesses.

[(Zagorskiy)] If foreign businesses invest in the Soviet Union it will be of great help to us because we are in need of hard cash and Western-style management. However, establishing a special economic zone requires an enormous amount of investment such as the expansion of the social overhead capital. In the current system I wonder how many foreign businesses will indeed invest, in spite of the risk.

[Yi] In what direction should the Soviet Union move?

[(Zagorskiy)] There is nothing else but the market economy. A new system must be provided in all fields and reform must be carried out orderly and systematically.

Soviet Firms Permitted To Form Joint Venture

SK1912035090 Seoul YONHAP in English 0255 GMT 19 Dec 90

[Text] Seoul, Dec. 19 (YONHAP)—Two Soviet companies have received South Korean Government permission to invest 70 million won (98,000 U.S. dollars) each to form a joint-venture company in Korea, the Foreign Ministry said Wednesday. The Soviet partners are Soyugiyprovodkhoz, a state-run trade firm, and World Media Trading Co., a private firm headed by a Korean resident in the Soviet Union. The Korean partner in the proposed joint venture dubbed "Korsu" is Namil Corp., which has a 50-percent stake, a ministry official said.

It is the first Soviet investment in Korea, and applications for two other investments in maritime transportation and trading are under study, the official said. Korsu is to import construction designing systems for sale in Korea within 5 percent of its trade amount and export Korea-made computers, footwear and construction designing systems to the Soviet Union and other countries, he said.

The capital of the joint venture is 280 million won (392,000 dollars), half of which was put up by the Soviet firms, 25 percent each.

Soyugiyprovodkhoz, set up in 1930 and headquartered in Moscow, specializes in measurement, design, reclamation and water resources development and possesses world-class construction design systems, Namil officials said. World Media, also based in Moscow, was established this year and is engaged in trade, marketing service and publications.

Abuses, Insensitivity of Press Criticized

SK2112104490 Seoul CHOSON ILBO in Korean 19 Dec 90 p 5

[Column by editorial adviser Hong Sa-chung: "The Newspapers Viewed by Readers"]

[Text] I had a small year-end party with some of my friends. As in ordinary meetings, our conversations began with complaints about the political situation and practice. Then, my friends focused their criticism on the press. A lawyer said, "Why does the press fail to express its opinions in a more stately manner? Why does it try to guide public opinion more courageously instead of being passively led by it?"

His complaints about the press seemed to be very deep-rooted. He further said, "This is also the case with the attitude of the press toward the local autonomy system. No one denies that the local autonomy system should be firmly established for the development of democracy. However, no newspaper has argued with anxiety that when the enforcement of the local autonomy system is expedited next year, the fever of elections will sweep over the whole of the country. In addition, when the presidential election and the general election follow the local elections, the country in confusion will be more disturbed. Let me presume that the local elections are inevitably to be held. In the country where a genuine freedom of press is guaranteed, however, at least one paper is believed to courageously demand the postponement of the local elections, though it is taken for a progovernment paper."

Listening to him, I was reminded of what BBC President (Calan) said. He once said, "The courage of broadcasting lies in how much it tries to convey the opinions of the minority. If the BBC fails to do so, it deserves being criticized as an indecisive powerless puppet of the system. The BBC also belongs to the system. However, our system demands that we always convey the opinions of the antisystem forces to the people. I believe that this is what a democratic society demands."

The lawyer continued more enthusiastically that "At present, the press enjoys freedom to the extent that it can freely criticize anyone, to say nothing of the president. Since the Sixth Republic was launched, no authoritative force has escaped from criticism and no power free from blame has existed. However, no one has dared to say anything against the press. Why does the press with this strong power just echo public opinion in a safe manner and shrink from expressing its own views?"

He, who was a little drunk, bitterly criticized me by saying, "Freedom of press is a guarantee for the press fulfilling its mission. Do you think that the press has performed its mission as responsibly as it can enjoy freedom?"

Another friend of mine, who works as a local administrator, joined in our conversations.

With the Sixth Republic emerging, efforts to remove past practices, though superficial, have been made in all fields. The press denounces the political parties as the only groups which cling to the past practice. However, has the press discarded its "past bad habits?" This is what he said.

By "bad habits" he meant the violence of the press. He said that because I live in Seoul, I may not even imagine how much suffering time he has due to the press.

I can somewhat imagine what is happening in local areas.

The week before last, newspapers reported that a girl, 19, a middle school student, a daughter of a certain Yi in the country, North Kyongsang Province, had been found raped and murdered. The victim was already dead. The papers seemed to judge that there would be no problem with identifying the name and address of the victim because she was dead. However, there still live her parents, brothers, and sisters. The papers paid no attention to the double psychological pain from which the bereaved family will suffer as a result of the news report.

I remember the attitude of the U.S. press when the crew of the spaceship "Challenger" died from an explosion a few years ago. At that time, no newspaper interviewed bereaved families. The press did not bother the bereaved families in sorrow for a few days. This would be the sensible attitude of the press.

We may consciously or unconsciously infringe upon the invaluable privacy of people and trample underfoot their human rights. The local administrator grumbled, saying that "It is like crying over spilt milk to protest against reporting about a rumor without confirmation."

However, what made me ashamed was the remarks of a local hotel owner who pointed out the corruption of the press. He asked me "how many reporters visit me to ask for money on every national holiday."

A reporter threatens him with difficulties unless he uses his newspaper for an advertisement. He angrily said, "Such a reporter is, of course, a big problem. Can the newspaper which employs him be worth being called a newspaper?" He talked about the local situation in detail. However, it is difficult to affirm that there is no such case in Seoul.

The corruption and tyranny of the press were particularly serious when Balzak lived. In retaliation, Balzak used nasty abuses against reporters through characters in his works. Brothers (Concur) did the same.

They said that newspaper critiques of novels and art exhibitions were affected by bribes. The reason why they founded the most authoritative literary prize in France proceeded from their disgust against the then newspaper articles on literature and art.

The authority and responsibility of the press are pillars which bolster its freedom. The authority of the press is not given by others. The press itself should secure it. In addition, the press does not have a genuine authority until others recognize its authority. When the press does not have this authority and responsibility, it is liable to be reduced to a kind of prostitute.

My friends, who looked content with their eruption of indignation by harshly condemning the press, drank more and enjoyed themselves during that night. Regretting that I could not flatly deny that their views on the press were filled with misunderstanding and prejudice, I was struck speechless.

Task Force Recommends Firing Corrupt Officials

SK2012092590 Seoul YONHAP in English 0826 GMT 20 Dec 90

[Text] Seoul, Dec. 20 (YONHAP)—A presidential task force on corruption recommended Thursday that three senior public officials be fired for taking bribes.

The Construction Ministry's director-general of construction economy, Choe Suk-yun, a director-general at the Industrial Advancement Administration, Kim Chong-kyu, and a vice president of the Korea Electric Power Operating Service Co., Chong Tae-pong, are suspected of receiving money and goods in the course of carrying out their official duties.

Kim Ki-tae, acting spokesman of the Constitution Court, was discharged recently because he had U.S. residency.

Kim had emigrated to the United States and got U.S. green card for himself and his family, and they visited the United States every six months to maintain their status while he was working for the Constitution Court.

In addition, the presidential special inspection team recommended the dismissal of the auditor of the Government Pension Management Corp., Chon Hyong-yong, the auditor of the Korea Institute of Science and Technology, Hwang Kyong-ho, the auditor of the Korea Institute of Machinery and Metals, Sin Nam-tae, and the auditor of the Korea Telecommunication Authority International, Yi Hyong-bok.

The four auditors are charged with traveling to Eastern Europe between Oct. 26 and Nov. 9 to attend a nonexistent seminar on Eastern European auditing in conspiracy with the Korea Audit Council.

Fourteen heads of government-supported agencies such as the Korea Security Printing and Minting Corp., the Korea National Housing Corp. and the Korea Highway Corp. were given warnings for dereliction of duty.

National Assembly Speaker To Travel in Jan

SK2012021590 Seoul YONHAP in English 0132 GMT 20 Dec 90

[Text] Seoul, Dec. 20 (YONHAP)—National Assembly speaker Pak Chun-kyu will tour India, Kenya, Eqypt and Indonesia Jan. 6-20 for talks with parliamentary leaders there on promoting bilateral ties, the National Assembly said Thursday. Pak's itinerary calls for stay in India Jan. 6-10, in Kenya Jan. 11-14, in Egypt Jan. 15-17 and in Indonesia Jan. 18-20. He will be accompanied by Reps. Ku Cha-chun, Kim Chung-wi and Choe Ki-son as well as his chief secretary Ku Chang-nim.

Joint Venture With Japan in Venezuela Planned

SK1512063390 Seoul YONHAP in English 0601 GMT 15 Dec 90

[Text] Seoul, Dec. 15 (OANA-YONHAP)—Dooyang Corp. of South Korea and electronics and industrial enterprises of Japan will build an aluminum smelter at a cost of 900 million U.S. dollars in Venezuela, officials at the Energy and Resources Ministry said Saturday.

As part of the Orinoco aluminum (Oalca) development project in the Guayana Industrial Complex 600 kilometers east of Caracas, Dooyang will invest in the 50-50 joint venture, which will be producing 230,000 tons a year by 1994. Cheap electricity is the biggest attraction as production of aluminum requires huge amounts, accounting for a great proportion of manufacturing costs.

Korea imports all its need of the metal, 400,000 tons annually. From 1994, Dooyang is expected to supply 11 percent of the domestic need.

Samsung To Build Production Line in CSFR

SK2012014090 Seoul YONHAP in English 0103 GMT 20 Dec 90

[Text] Seoul, Dec. 20 (YONHAP)—Samsung Electronics Co. of South Korea has signed a 150 million U.S. dollar contract with Calex of Czechoslovakia to install an automatic production line for refrigerator compressors in Slovakia, a Samsung spokesman said Thursday. The factory, which will be set up in Zlape in the Slovakian Republic, will put out 1.5 million compressors a year by 1992.

Calex, Czechoslovakia's sole state-run refrigerator maker, will pay Samsung 5 million U.S. dollars in royalties plus 145 million dollars for the installation, he said. The electronics maker, a subsidiary of the Samsung group, is the first Korean electronics company to export plant to an East-bloc nation.

1st Independent Overseas Drilling Attempt Viewed

SK1912034890 Seoul YONHAP in English 0205 GMT 19 Dec 90

[Text] Seoul, Dec. 19 (YONHAP)—Yukong Ltd. has begun oil prospecting in Chindwin, Midwestern Myanmar, making it the first South Korean firm to attempt independent drilling overseas, the company said Wednesday. A Yukong official said a 10-month survey of the area was done after the company obtained approval for the project from the Myanmar government in October 1989.

The area is 39,000 square kilometers wide and 1,000 kilometers north of Yangon, and it is ranked as the most promising of nine oil prospects listed by the Myanmar Government. Yukong established a branch to conduct the survey on Feb. 7, after winning the rights in bidding against 10 firms from the United States, France, and Japan, the official said.

Trade Officials To Cooperate To Ensure Success

SK1912022490 Seoul YONHAP in English 0101 GMT 19 Dec 90

[Text] Seoul, Dec. 19 (OANA-YONHAP)—South Korea and the United States have agreed to cooperate with each other to ensure success of the Uruguay Round telecommunications sector talks, Korean Government officials said Wednesday. The two countries also agreed in trade talks here Monday and Tuesday to improve buying and selling procedures for imported beef next year, as soon as negotiations among Korea, the United States, Australia and New Zealand are finished, the officials said.

Other results of the talks included letting Korean vegetables, including onions, onto the U.S. mainland. Such imports until now were limited to Guam, according to the officials.

The two-day trade sub-group committee meeting was a preparatory session for the Korea-U.S. economic consultation scheduled for next month. The U.S. delegation, headed by assistant U.S. trade representative Nancy Adams, demanded improvements in the simultaneous buy and sell system for beef and better sales conditions for foreign cigarettes in Korea. The Korean delegatation was led by Kim Sam-hun, director-general of international trade at the foreign ministry.

Talks on cigarettes failed to produce any agreements, and the two sides will hold further talks on the issue, officials said. They did agree to cooperate in telecommunications service negotiations at the Uruguay Round and will hold another set of bilateral talks early next year if necessary. The two sides also discussed extensively on Korea's ongoing frugality drive, with both countries agreeing that the austerity campaign should not create any discrimination against imports. Korea also pledged to lift any regulations that may have discriminated against foreign goods in the course of the campaign, officials said.

*Drastic Shortage of Technicians by 1994 Projected

912C0020 Seoul TONG-A ILBO in Korean 5 Oct 90 p 7

[Text] The projected number in the shortage of skilled technicians by the year 1994 is 261,600 and it is expected to affect various manufacturing industries in the nation.

Since the number of graduates with science and technology degrees from the nation's four-year colleges has been decreasing every year, the trend of a shortage in technicians will continue to grow after 1994 unless some corrective measures are taken soon.

The report, "Policy and Prospect of Securing Industrial Manpower," published by the Korea Institute of Economics and Technology (KIET), states that the projected number of shortages in technicians by 1994 are: 96,500 in the machine industry; 65,700 in the electric/electronic industry; 31,300 in the resource/metal industry; 30,000 in the chemical industry; and 38,100 in other industries. The total number thus will reach over 261,600.

The ratio of college graduates with science/technology degrees has been decreasing steadily for the last several years. While as many as 35.5 percent of the total college graduates in 1983 were science majors, there were 30.4 percent in 1985, 28.5 percent in 1987, and only 25.7 percent in 1989. The number of college graduates with science/technology degrees has stayed at about 40,000 a year since 1986. Unless the number of science/technology majors increases drastically in the future, the shortage of technical manpower will be even more severe after 1994.

Another reason for the shortage of technical workers is that 61.2 percent of college science/technology graduates go into nonmanufacturing fields of industry while only 38.8 percent seek jobs in the manufacturing industry.

For the short-term remedy of the problem, KIET proposes the following measures: entice skilled workers to return to Korea from overseas; train educated, jobless people; encourage skilled workers to stay on in the fields of their training; and attract workers through active campaigning for the manufacturing industry.

For the mid- to long-term solution to the problem of a worker shortage, KIET proposes the following: accept many more science and technology students in colleges; allow college students to switch majors; and create institutions to train workers for advanced skills.

KIET's report also warns that the growth of our manufacturing industry, including our export industry, will be undermined after 1994 if the present trend continues, and that the nation's economy in general will suffer greatly as a consequence.

*Government Opens Antidumping Consulting Center

912C0037 Seoul MAEIL KYONGJE SINMUN in Korean 20 Nov 90 p 3

[Article by reporter Kim Chong-yong]

[Text] In preparation for a successful completion of the Uruguay Round [UR] talks that will remove trade barriers, the government decided to substantially reinforce the effort related to the antidumping tariffs and started to make a detailed plan.

It is because in the event that the UR talks are completed in the way proposed by some advanced countries, the existing elastic tariff system such as the emergency tariffs or the adjustment tariffs, that has been protecting our industry, will no longer function as originally intended. In that case only the antidumping tariffs, subsidy, and countervailing tariffs can play their roles.

In order to actively utilize the antidumping tariffs, the government is currently reinforcing the Tariffs Department of the Finance Ministry by transferring experts from the Office of Customs Administration (OCM) and the Import and Export Bank.

Concurrently the OCM newly established the Antidumping Tariffs Consulting Center within the OCM and started its activities.

The significance of such OCM activities lies in the fact that they are the first noticeable government's official movements in preparation for the post-UR talks.

Since the purpose of the UR talks is to expand free trade in the world, the participating nations must abandon various existing trade barriers in case the UR talks are successfully concluded.

If that is the case, Korea has the advantage for market expansion to become easier than before. On the other hand, great difficulties are expected if we open up our vulnerable markets of farm products, services, and intellectual properties.

Furthermore, the function of tariffs, which has been utilized as a means of protecting domestic industries, will inevitably be weakened. At the same time, various nontariff barriers should also be removed.

Consequently, the current support-oriented system of protecting domestic industries should be changed according to the UR agreements.

Since the negotiation for abandoning the dual tariffs system is expected to reach an agreement, the government is emphasizing the reinforcement of the antidumping tariffs.

The emergency and the adjustment tariffs have mostly been used as a means to protect the domestic industries in the open market environment.

The emergency tariff system allows the government to increase or reduce the existing tariffs by up to 40 percent. The adjustment tariff system allows an increase by up to 100 percent.

However, if the UR talks are completed in the way proposed by some advanced nations, the emergency tariff system will lose its effectiveness due to a substantial expansion of the concessions [yangho] items and to the reduction in the concessions tariff rate (eight percent average in 1994).

Since the government submitted 83.5 percent of the number of the items as concessions items to the UR talks, scheduled to be held in Brussels early in December, it is no longer possible to impose the emergency tariffs on industrial goods.

The concessions tariff is an international agreement that the nations involved will impose tariffs no higher than the rate set by the agreement on each item in three ways: reduction of the current rate, no raising of the current rate, and no raising of the current rate but with an upper limit.

Once a nation agrees on the concessions tariff, however, the tariff policy of the nation is bound to be restricted because it cannot increase the tariffs agreed upon.

It is estimated that the dumping from foreign countries, in order to take advantage of early occupation of the Korean markets while riding the free import policy in Korea will, be unexpectedly serious.

As the free import rate is increasing to 97.3 percent by the end of this year from 87.7 percent in 1985, the need for an effective control mechanism of advanced countries' dumping activities is becoming essential.

Considering all these facts, the government is planning to systematically investigate possible dumping items from now on and to impose the antidumping tariffs on these items.

It is a fact that the government so far has been very cautious when imposing antidumping tariffs in order to avoid an unnecessary increase of trade pressure from advanced countries.

Only four cases of antidumping lawsuits have been settled by the government since 1986. The punishments were very mild.

A representative case is the one that a domestic company brought to lawsuit in April 1986 on the Asetaldehyde produced by a Japanese company called Showa Denko. But the government closed the case by saying, "Although the Japanese company is suspected of dumping, the damage is insignificant."

The government, however, made it clear that from now on it will strictly impose antidumping tariffs unlike its passive attitude in the past.

In the past, the government started an investigation and took necessary measures only if the domestic company which was affected by foreign dumping brought their case to lawsuit. In the future, the government and industries will jointly carry out the duty of watching the dumping items.

It is anticipated, therefore, that the requests for investigating prices of the possible dumping items by domestic industries will substantially increase when foreign goods rush to the domestic market as a result of the UR agreements.

The new Antidumping Tariffs Consulting Center within the OCM will also play a role in the following areas: analyze and manage the price of the possible dumping items, provide guidance for procedures and requirements for lawsuit, provide measures and introduce the foreign system to domestic export companies which are brought to a lawsuit by foreign companies for dumping, and provide information on dumping to domestic industries.

The OCM is actively expanding its function related to dumping by utilizing the existing computer information and invoices kept by the customs service for establishing import prices and by expanding manpower by hiring two certified public accountants.

Such activities of reinforcing antidumping tariffs are also noted within the Finance Ministry.

Such activities of the government are interpreted as a transformation from a defensive attitude toward trade pressure from advanced countries in the past to an offensive attitude.

Such a change in the government's attitude is related to the recent series of attacks from the United States on the domestic frugality movement.

It is regretful that such a measure has been belatedly developed when the agreement of the UR talks is imminent. Now is the time, however, for our industries and people to cooperate with the government's initiatives.

*Link Between Fund Raising, TV Licenses Viewed

912C0022 Seoul IRYO SINMUN in Korean
7 Oct 90 pp 10-11

[Article by Kim Pil-che: "The DLP Is Allegedly Seeking To Allow Its Financial Backers To Participate in Proposed Private Television Station So That It May Secure a Steady Source of Political Contribution in Return for the Favor"]

[Text] With 10 November, the deadline for applications for participation in the incorporation of a privately run television station, close at hand, controversy has arisen over the rumors that many of the member firms of the DLP [Democratic Liberal Party] Supporters' Association and Finance Committee are trying hard to join this private television station as its charter members. The main purpose of the DLP Supporters Association and Finance Committee is literally to provide political funds to the ruling party, the DLP. With the deadline approaching for the selection of firms to participate in the incorporation of the privately run television station, which is said to be the greatest privilege since the inauguration of the Sixth Republic, rumors are circulating as a matter-of-course that firms which have so far continually provided monetary support to the party in power are bent upon joining in the new television station in force. A political source said that now that 53 firms falling under the category which is subject to statutory control of their borrowings (this description is synonymous with conglomerates with a large amount of outstanding loans) are barred from the licensing of the privately run television station, it is a foregone conclusion that member firms of the DLP Supporters' Association consisting of well-heeled medium-standing firms will participate in the licensing of the new TV station.

As a matter of principle, any corporate with 10 or more affiliates is not qualified to be a member of the DLP Supporters' Association.

In the process of selecting a multiple number of specific stockholders of the new private television station, many factors, such as the solvency of firms, public opinion, and the firms' financial composition, will be taken into consideration as stated by the Ministry of Information. According to the same political source, however, when we compare the process of selecting stockholders of the private television station to that of apportioning newly built apartments, there should be a marked difference between the firms which have continually made "deposit payments" and the firms which are suddenly trying to jump on the bandwagon.

The deposit payments in this case are the political funds entrusted with the Central Election Management Committee and political contributions made through the DLP Supporters' Association and the DLP Finance Committee.

Pay Contributions, Purpose of Joining Supporters' Association

One senior member of an economic organization reasoned this way: "These firms have naturally cultivated intimate ties with the DLP officials responsible for the collection and management of political funds in the process of depositing political funds with the Election Management Committee or joining the DLP Supporters' Association. As far as the ruling party is concerned, when these firms are asked to make political contributions in the future, they will respond quickly and will pass muster also in terms of maintenance of secrecy. This judgment on the part of the DLP may operate to widen the window of opportunity for them to join in the incorporation of the private television station."

This is to say that it is better in terms of effectiveness and secrecy to carry out monetary transactions with established clients than with firms which are strangers.

At present, 25 firms are members of the DLP Supporters' Association and 69 firms are members of the DLP Finance Committee. According to a party official, 85 percent of these firms have played the role of financial sponsors for the DLP since the days when the DJP was the ruling party. They have been on intimate terms with the party in power, irrespective of the relative strength in terms of National Assembly seats among the DJP, RDP, and NDRP.

Member firms of the DLP Supporters' Association can donate up to several hundreds of millions of won a year and those of the Finance Committee can contribute 50 million won a year. They cannot exceed these limits, even if they want to, because of the cap imposed by the Law on Political Funding and the regulations for the implementation of this law. Needless to say, all contributions are regarded as a business expense and tax deductible.

But until now the DLP has not made public the names of these firms on the grounds that the disclosure would not be to their interest, except to say that Yi Maeng-ki, chairman of Korea Shipping Company which transports ore and other raw materials for Pohang Iron and Steel Company, was elected as chairman of the DLP Supporters' Association when it was organized this February. Incidentally, Pak Tae-chun, DLP Supreme Council member, is the chairman of the Korea Shipping Company.

The whole list has not been obtained, but part of it has been made known. Article 9 of the Law on Political Funding provides that the list of a supporters' organization need not be disclosed unless requested by the court or the Election Management Committee. So far the list of the DLP Supporters' Association has been kept secret under this article.

Ten firms—Oriental Brewery, Pacific Chemical, Daesung Industrial, E-Wha Electric Industrial, Aekyong Oil & Fat, Pohae Distillery, Korea Shipping, Dongwon Industries, Jinro Beverage, and Sindo-Ricoh—are among the 25 corporate members of the DLP Supporters' Association.

The following 18 firms are among the 69 member firms of the DLP Finance Committee: Hankook Cosmetics, Poong-Lim Industrial, Se-Bang, Asia Cement Manufacturing, Tonga Insurance, the Dongbu group, Yosu Energy, Oriental Brewery, Ssangma Textiles, Samyang, Kia Industries, Jinro Brewery, the Lotte group, the Tong-Yang Cement group, Mijoo Industry, Ssangyong Cement Industrial Company, Hanil Synthetic Fiber Industrial, and Sungshin Cement Industrial Company.

Big Firms Included Despite Standard

Two salient points emerge from these lists. First, despite the standard that precludes firms with 10 or more affiliates from a political supporters' organization, the Doosan group (Oriental Brewery), Jinro, and Pacific Chemical Company are members of the supporters' association.

Originally, the DJP said that it would operate its supporters' association with financially sound small and medium-size enterprises at the center because big firms make their large amount of political contributions through the Election Management Committee. But, in practice, the presence of these large cooperations as members of the supporters' association signifies that they are allowed to make double political contributions: one through the Election Management Committee and one through the supporters' association. The current

Law on Political Funding and the rules and regulations for its implementation have no provisions regulating double contributions.

Second, as is evident from the cases of Jinro and Doosan, there must be a considerable number of cooperations which are members of both the Finance Committee and the supporters' association. If so, Corporate A joins the DLP Supporters' Association and can contribute up to 100 million won as its corporate member. It can also contribute 50 million won as a member of the DLP Finance Committee, and in addition, deposit a certain amount of money with the Central Election Management Committee for a specific political party. If the practice of corporations making political contributions through informal channels still exists, there would be four channels of political contribution in all.

Hankook Cosmetics, Jinro, and Pohae Distillery are among the firms which are bandied about in town as being influential prospective stockholders of the private TV station.

However, considering the fact that the current list of influential prospective charter members does not necessarily constitute a final selection and that only part of the list of corporate members of the DLP Supporters' Association and Finance Committee is made known, it is anticipated that seven or eight or more among the corporations which are official members of the DLP supporters' organizations will participate in the private television station.

The problem is that if the DLP's corporate supporters should be given priority in a business in which all other firms wish to participate, this would become an established practice so that no matter which party is in power, corporations would tend to provide support only to the party in power.

In this connection, an executive of C Company, which eagerly wishes to participate in the new television station, although it has no established ties with the DLP, had this to say:

"The government has said it intends to add a new television station in order to secure a responsible television system and usher in the information age. It never said that it intends to set up a privately run television station in order to bestow favors on the people who have up to now supported the powers that be. If that is true, before selecting firms for the licensing of the projected private television station, the government should disclose the names of members of the DLP Supporters' Association and Finance Committee."

Originally, the three opposition parties were the first to call for establishment of a privately run television corporation. In June 1988, shortly after the 26 April general election, the three opposition parties—the PPD, the RDP, and the NDRP—each presented the opinion that a a privately run television corporation should be organized. The PPD and two other opposition parties shared the same view that the entire press should revert to the status which existed before the forcible integration of press organizations in 1980, and that the harmful provisions in the Television Law should be struck out.

Underlying the demand for creation of a privately run television station was the fact that the opposition camp felt that in the course of the 1987 presidential election, the ruling DJP tremendously maneuvered public opinion through television, influencing the minds of the voters, with the results that the opposition was defeated in the election. The government made an official reference to this fact in its statement in February 1989. Choe Pyong-yol, then minister of Culture and Information, indicating the possibility of setting up a privately run TV station and a traffic-weather station in addition to the government-operated television network, sent up a trial balloon saying it might be appropriate to have social organizations or public corporations operate this privately run station.

Originally Intended As "Instrument for Maneuvering Public Opinion"

This change in the government's perception stems from the existing television stations' refusal to remain servants of the government, the trend which set in as the so-called press democratization movement intensified following the 29 June proclamation.

In other words, the change was brought about by the fact that KBS and MBC, whose presidents the government has the power to appoint, swung to attacking the government bitterly on certain issues. From then on the positions of the ruling and opposition parties began to reverse.

The government determined that the irresoluteness of the presidents of these two television stations was the cause of the "recalcitrancy of the broadcasting stations." The government arbitrarily appointed So Ki-won as KBS president succeeding So Yong-hun, and MBC President Choe Chang-pong continued to take strong-arm tactics to settle the recent MBC trouble; and this had something to do with this judgment of the government.

According to belated reports, during the KBS and MBC upheavals, the "responsible stance" taken by the trade unions of newspaper companies provided a lesson to the government. In the judgment of the government, a clue was found somehow to resolving the labor disputes in the four privately owned major newspaper companies and ultimately led to a speedy settlement; but on the other hand, the labor disputes in the two broadcasting stations, one run by the government and the other operated privately, dragged on with their presidents gradually sinking into the mire.

The KBS and MBC labor unions contend that seeing the waning sense of responsibility in the government-appointed presidents of the broadcasting corporations as officials responsible for guarding the government line to the last, the government replaced them as a short-term measure and decided as a long-range plan to establish a privately operated television corporation so that the three corporations might compete for viewers.

Under this plan a committee for study of the broadcasting system (Pangjeyon for short) was established to pave the way for the establishment of a privately operated television corporation, and late last year the rumor circulated that Samsung and the Tong-a group would be the charter members of the new corporation.

Stimulated by Frequent Broadcasters' Disputes

The labor unions of the two broadcasting systems claim that with the 1992 presidential election as the final destination, the process of establishing a privately run television station has progressed step by step. At a private occasion, a Pangjeyon member stirred up a controversy when he said that the government plan is to rectify the current state in which the labor union is the boss.

Naturally, the newspaper companies which are not affiliated with conglomerates opened a barrage of protest. CHOSON ILBO, TONG-A ILBO, SEGYE ILBO, and HANGYORE SINMUN bitterly criticized the government plan in their editorials and articles saying that "Conglomerates Should Not Be Allowed To Own a TV Station" (TONG-A ILBO 15 February editorial), that "Conglomerates Seeking the Sweet Profits of a Privately Run TV Business" (a HANGYORE 8 March attributed column). CHOSON ILBO, in a 31 March column written by Professor R. on the subject of conglomerates and a privately run television station, lambasted the government plan arguing that any participation in a privately run television station by conglomerates will go against the principle of equity and that a TV station under conglomerates will care for nothing but profits and provide no guarantee for qualitative improvement in the substance of the broadcast.

It is questionable whether or not the Ministry of Information anticipated this kind of opposition. A broadcasting scholar pointed out these facts: that Professor Kim, former TBC managing director, was named Pangjeyon chairman; that Pangjeyon submitted a report proposing the establishment of a privately run television corporation with no provisions restricting its ownership; and that subsequently, the government took measures to exclude 53 conglomerates from the private television station. He then ironically said that all this indicates that the moves made by the government are akin to those of a chess player who from the beginning anticipated every move of the opponent, the move of a knight after the rook, and so forth.

At the 11th hour the government excluded conglomerates, thus at least avoiding losing public confidence. Does it follow then that the government is following a prearranged scenario?

In the middle of the controversy which arose over the lack of measures to bar conglomerates from participating in the incorporation of a private television station in the 30 March Pangjeyon report, the Central Federation of Small and Medium Enterprises drew attention in early May by making the demand that small and medium enterprises be allowed to take the lead in incorporating the proposed privately run television station.

Public Opinion Against Conglomerates Was in Scenario

Representing small and medium enterprises, Hwang Sung-min, chairman of Mison Enterprise, stated that now was the time for small and medium enterprises to have a say, complaining that in the past, 50,000 small and medium enterprises were unable to run TV ads because the TV stations did not give them time for TV commercials. This call immediately drew a favorable reaction in town. But afterwards, when it was discovered that the call was made without any concrete measures to back it up, it was sharply criticized for being "a self-promoting statement" or a "grandstand play." Nevertheless, it had a tremendous repercussion on informed people who were apprehensive lest a TV station financed by conglomerates and carrying their voices should come into operation.

About the time when the government began to receive applications for stocks in the proposed privately run TV station, the Federation of Small and Medium Enterprises set up a special cage for the purpose of receiving applications for membership in a consortium of small and medium enterprises which will be created to participate in the incorporation of the new TV station. At this juncture when applications for membership in this consortium are being filed, the opinion is divided—one that hails Chairman Hwang Sung-min for his timely hit in the game, and the other that he was given an informal consent of the authority a long time ago. Those holding the latter view say that the principles were agreed upon in advance and he is now playing a political chess game.

At any rate, in July the government disclosed its plan to limit the stock holding of any one stockholder to 30 percent of the total, as well as its plan to preclude pro-government public corporations such as the Sports Promotion Corporation from the privately run TV station.

Subsequently, in August the government unraveled the substance of its plan step by step, including its decision to exclude firms with a capital of 400 billion won or more from the privately run TV station, to ban newspaper companies from engaging in broadcasting on the side, and to authorize six channels. Currently, the Ministry of Information is receiving applications under the plan to set up a new TV station capitalized at 100 billion won, which is scheduled to go into operation beginning in 1992 mainly for the audience in the capital zone.

We get the impression that the government is following the Chong Hae-chin schedule. If there is such a schedule, who drew it up, and what will happen to it in the end?

There is one good example which explains the political economics of a privately run TV station.

In view of overflowing TV ad applications, the Radio-TV Advertising Corporation came out with a plan on 20 September to assign ad times by the drawing of lots among small and medium-scale advertisers, except for large corporate advertisers. But this raffle plan was aborted in the face of a strong opposition by small and medium-scale advertisers.

This is proof that the new TV station does not have to worry about a shortage of advertisers. Viewed from the standpoint of enterprises, this makes them realize that participation in the projected TV station will not only give them a say in society in proportion to their shares in the station but also that this will be a lucrative business.

The DJP merged with the RDP and the NDRP on 25 January this year. In an exclusive interview conducted by TONG-A ILBO late last year, then DJP Chairman Pak Chun-kyu briefly touched on the possibility of a three-party merger, producing a great stir. The three-party merger was a real surprise.

Party Coffer Depleted Due to Three-Party Merger

Following the merger, there was a dinner party at the presidential mansion for assemblymen from the three dissolved parties who are now DLP assemblymen. After the party, each of them received an envelope containing 2 million won. It is common knowledge in political circles that even a PPD outdoor rally costs a lot of money, and that a really enormous amount of money is needed for a big event like the three-party merger. According to belated reports, the officials in charge of the purse of the DJP wing had a hard time raising money needed for the suddenly arranged three-party merger.

The opposition parties estimate the money spent on the three-party merger at 40 billion won. According to belated rumors, irrespective of whether the merger which took place all of a sudden cost 40 million won or 2 billion won, the political fund of the ruling party was depleted after paying for the merger expenses.

It may not have been merely because of the depleted political fund, but the government hit conglomerates very hard through the 8 May measure designed to curb real estate speculation, laying the blame for the current economic mess on those conglomerates which feverishly engaged in real estate speculation.

Beginning in July, restrictions on real estate used for other than business purposes were eased gradually, and the situation was reverting to what it used to be. As a result, there is no conflict between the government and conglomerates except for a conflict with certain conglomerates and certain personages. From the beginning it was limited warfare, but according to belated reports, the government recently collected a considerable amount of political contributions from conglomerates by singling them out as the main culprits in illegal real estate speculation and blaming them for the current economic difficulties, and by so doing, replenished the depleted political fund to some extent.

Reportedly, the assemblymen of the RDP and NDRP wings are spending money more liberally than before to suit their new status as ruling party assemblymen.

Currently, there is a dispute going on within the DLP over the complaint that politicians belonging to a certain wing are spending a disproportionately large amount of money. This, together with the stark reality that there exist some checks to rein in Kim Yong-sam, representative member of the DLP Supreme Council, and certain other individuals, reflects the fact that given the rapid increase in the number of big spenders, the financial situation of the DLP is deteriorating.

In addition, before long the DLP has to go through local government elections, limited as they may be, and also needs to raise funds to cover campaign expenses for the 1992 presidential election and the 1993 general election, and if there is to be a revision of the Constitution, expenses for pushing through the amendment.

Meal Can Be Cooked With 10 Spoons of Rice Chipped In

A political observer predicts that next year the DLP will need three times as much money next year and six to seven times as much in 1992 as it is spending now.

Where can such a large sum be raised? The DLP is not in a position to sell the privilege of receiving party nomination for cash as the opposition parties do. Thus, the only source is business firms. It is common knowledge that it is better to ask companies for political contributions in return for a favor done than to ask for money from companies which received no favor at all. A give-and-take deal rather than a one-sided demand will make both parties feel at ease. If the government decided to raise political funds using licensing for the privately run TV station as a lever, all it would have to do is make deals with conglomerates by permitting them to participate in the station. However, this would meet with adverse public opinion. The government can ask conglomerates for political contributions without giving such a license because they already have strong symbiotic ties with the government. If tens or hundreds of millions of won were raised from one or two firms, it would be beyond their ability to make such large contributions and cause financial difficulties to the firms involved.

On the contrary, if deals are to be struck with small and medium enterprises by following a quick-return policy, the logical conclusion is that such deals will enable the ruling party to avoid the darts of public opinion, expand the list of firms making political contributions, and collect a large amount of money from a large number of small and medium enterprises, although each contribution is relatively small in amount.

In this case, there will be only one problem, namely, the danger of the secrecy being leaked because so many share the secret.

Not all contributions would be made under the counter; some percentage of them would be half-open contributions. Still, if dealings over contributions are revealed afterwards, it would be a troublesome matter. For this reason, it is possible in the licensing of a new TV station to give priority to those enterprises which have been providing political funds in the past, in view of their past practice of keeping the secret to themselves, as well as their past record of political contributions. Needless to say, that is a backstage scenario.

If a decision has been made to collect political funds, there are three ways of collection. Roughly, there will be open and backdoor channels, and the open channel may be divided into two, one for fund raising through the Supporters' Association and Financial Committee, the other for depositing funds with the Election Management Committee.

One Trillion Won Needed in Five-Year Period of Sixth Republic

If member firms of the DLP Supporters' Association and Financial Committee are to make political contributions wishing to participate in the licensing of the privately run TV station, how much money will they be able to contribute at a maximum? Under the current Law on Political Funding, a corporation can contribute up to 100 million won a year in its capacity as a member firm of the Supporters' Association, and in the case of the DLP Financial Committee, member firms can contribute up to 50 million won, although it has no specific provisions in this regard. Firms also can deposit political contributions up to 500 million won or two percent of their capital with the election management committee.

The paid-in capital could be used as the basis, but the Central Election Management Committee in our country uses the amount of the total assets minus the total liabilities as the basis. In most cases, two percent of the net asset is much larger than two percent of the paid-in capital.

The WOLGAN CHOSON December 1988 issue estimated that a total of more than 900 billion won must have been spent in political funds in the seven-year period of the Fifth Republic.

How much political funds will be needed in the five-year period of the Sixth Republic? There are variables, such as the depreciation of the value of the won due to inflation; the shortening of the term of the administration from seven years to five years; the arbitrary political realignment to end the minority status of the ruling party; a possible turmoil over the issue of revising the Constitution; and an early rivalry among prospective candidates. No matter how modestly estimated, the amount of political funds needed in the five-year period of the Sixth Republic will exceed the 1 trillion won level. Of this amount, how much will the projected private TV station be able to generate?

*North Korean Elite Technocrats Identified

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[Article by reporter Yu Yong-ku: "North Korean Technocrats"]

[Text]**Striking Emergence of Contingent of Technocrats**

It may be said that interest in the North Korean political situation is focused largely on the question of the timing of Kim Chong-il's succession to power, questions concerning the bureaucrats and technocrats who are the backbone of the present political establishment in North Korea, and the trend in the military. These political factors are important in anticipating future changes in North Korea.

The foremost elite group in North Korea is 1.3 million bureaucrats and technocrats trained since the establishment of the regime. This elite group, commonly called the contingent of "national cadres," is active in all spheres of life in North Korea, including the party, administration, military, industries, and economy. Until now they have been the pillars propping up the North Korean political, economic, and social structures. In addition, included in these national cadres are experts at work in the fields of education and research, the press and publication, and literature and art, and public health.

Generally, the mechanisms of conflict between "red" (ideological consciousness) and "expert" (expertise) existing in socialist countries (particularly in China) is not visible in North Korea because national cadres there are required to have "revolutionary qualities as chuche-oriented revolutionaries" and "the party spirit and revolutionary character based on the chuche ideology." In other words, generally, North Korean bureaucrats and technocrats are supposed to be armed with the chuche ideology and the revolutionary spirit. This is related to the fact that North Korea has consistently pursued the revolution and construction side by side ever since the socialist regime was founded.

That characteristic was also revealed in the remarks made by Professor So Tae-suk of the University of Hawaii, an expert on North Korea, during his recent interview with YONHAP TONGSIN. Relating his experience gained during his visit to North Korea on several occasions, Professor So said: "Speaking of the people of the Soviet Union, China, or East European countries, we often sift them into two categories by asking ourselves whether they are genuine communists or technicians. But as far as North Koreans are concerned, one may safely view all of them as communists. North Koreans are armed to the teeth in ideological terms. The North Korean society is not loose, and one can hardly find anyone there who is not armed in ideological terms. Theirs is a completely organized society."

Needless to say, this statement of Professor So's is intended to stress that North Korea is a highly organized society. But it also applies to the North Korean technocrats. This is to say that North Korean bureaucrats with technical expertise may be called the contingent which is pushing the revolution and construction simultaneously in North Korea, with a thoroughgoing party spirit and ideological consciousness.

True, these technocrats do not exist as a separate entity in the North Korean society but exist organically linked to the generation of the anti-Japanese partisans, namely, the founding generation of the revolution, as well as the typical party (apparachiki), the military, and so forth. But we need to direct attention to the fact that the technocrats are emerging as a group of increasing importance under the circumstances in which improvements in the "administrative standards" in the management of state affairs are required in keeping with the quickening pace of economic and social development. Of all North Korean state organizations, particularly in the State Administration Council, which corresponds to the executive branch, the technocrats are in charge of most of its activities; and the importance of the technocrats is daily growing in the Workers Party also. Particularly among the deputies to the Supreme People's Assembly, the highest sovereign organ in North Korea, a large number of people with technocratic backgrounds have been making their debut in recent years.

In the case of the 687 deputies elected to the Ninth Supreme People's Assembly [SPA] in the election this April, degree holders and those holding academic posts such as doctors and professors, as well as scientists, engineers, and experts, account for 64.5 percent of the total number of deputies, and those with an academic background of a college education or higher account for 68.2 percent. These figures indirectly indicate that more than two-thirds of the deputies have technocratic backgrounds.

Yi Chong-ok, Elder Technocrat

We will now check the names of personages who may be regarded as technocrats among the hierarchies of party and government organizations. We will begin with the members of the Political Bureau, the highest organization of the WPK [Workers Party of Korea].

The WPK Political Bureau is made up of 14 members: Kim Il-song, Kim Chong-il, O Chin-u, Yi Chong-ok, Pak Song-chol, Yon Hyong-muk, Kim Yong-nam, Choe Kwang, Kye Ung-tae, Han Song-yong, Ho Tam, Chon Pyong-ho, Kang Song-san, and So Yun-sok.

There are 11 candidate members. They are: Hyon Mu-kwang, Choe Tae-pok, Kim Chol-man, Choe Yong-yim, Hong Song-nam, Kim Pok-sin, Kang Hui-won, Cho Se-ung, Chong Chung-ki, Hong Si-hak, and Yi Son-sil. The following 11 are the members of the Secretariat assisting the Political Bureau: Kim Chong-il, Hwang Chang-yop, Kye Ung-tae, Chon Pyong-ho, So Kwan-hui, Choe Tae-pok, Pak Nam-ki, Han Song-yong, Kim Chung-nin, Yun Ki-pok, and Kim Yong-sun.

Among the above 31 [figure as published] highest-ranking leaders, a considerable number are of the technocratic type. They number more than 10 including: Yi Chong-ok, Yon Hyong-muk, Kye Ung-tae, Han Song-yong, Kang Song-san, Choe Tae-pok, Choe Yong-nim, Hong Song-nam, Kim Pok-sin, Hyon Mu-kwang, So Kwan-hui, and Yun Ki-pok.

Yi Chong-ok is one of the rare technocrats among the elder statesmen of North Korea. He is currently assisting Kim Il-song in his capacity as vice president of the state. He was born in North Hamgyong Province in 1918, and after graduating from Harbin College of Engineering in 1940, he joined the communist movement. After liberation, he was elected as deputy to the First SPA in 1948 and embarked upon a bureaucratic career by becoming a bureau chief of the Ministry of Industry in 1949.

In the 1950's Yi Chong-ok successively assumed such important posts as vice minister of Industry, minister of Light Industry, and chairman of the State Planning Committee. In the 1960's he was successively appointed as chairman of the Heavy Industry Committee, minister of Metal Industry, and president of the Academy of Sciences, and concurrently held his post as vice premier. In the Third Party Congress in 1956, he was elected as candidate member of the Political Bureau of the WPK Central Committee and member of the Central Committee, and subsequently promoted to the full membership of the Political Bureau in 1961. He is among the few technocratic bureaucrats who have been successful in the party also. He disappeared from the public scene for a while after the Fifth Party Congress in 1970, resurfaced in 1972, and was appointed as chairman of the Heavy Industry Committee and concurrently member of the Central People's Committee in the fifth cabinet. In 1976 he was promoted once again to the post of vice premier of the State Administration Council. In 1977 he was promoted to the premiership in the sixth cabinet and took the lead in implementing the Second 7-Year Plan (78-84). In the party, he was successively promoted to a candidate member of the Political Committee in 1973, a member of the Political Bureau in 1977, and a Standing Committee member of the Political Bureau at the 1980 Sixth Party Congress. He attained his highest post faster than any other technocratic leaders. Subsequently, in 1982 he was appointed as premier of the State Administration Council in the 7th cabinet, and later he handed over his premiership to Kang Son-san in January 1984 in order to assume his new post as vice president of the State, which he still retains.

Yon Hyong-muk, Scientific/Technological Bureaucrat

The name of Yon Hyong-muk began to sound familiar to us since he attended the high-level North-South talks held in Seoul in early September as the head of the North

Korean delegation (in his capacity as premier of the State Council). He is one of the typical technocrats who have been systematically trained in North Korea and who have intimate ties with Kim Chong-il. Reportedly, he was born in the southeastern part of Manchuria near the Tumen river in 1925. While enrolled at the Mangyongdae Revolutionary Institute in 1946, he was transferred to the School of Science and Engineering, Kim Il-song University. In early 1950 he entered the Ural College of Engineering in the USSR where he majored in metallurgical and mechanical engineering. With his scientific and technological expertise recognized, he became a member of the Organization and Guidance Department of the Party Central Committee immediately upon his return home in 1955, thereby embarking upon a "bureaucratic career."

He was appointed as deputy director of the heavy industry department of the Party Central Committee in 1962 and was promoted to the director of the same department in 1968. In 1967 he was elected as candidate member of the Party Central Committee and deputy to the Fourth SPA. He successively became a secretary at the Party Central Committee Secretariat in 1971, a member of the Central People's Committee and a deputy to the Fifth SPA in 1972, and rose fast as a member of the Political Bureau of the Party Central Committee in 1974. Particularly in 1974, in his capacity as the responsible person of the Central Directorate of the Three Revolutions Team Movement, he forged an intimate relationship with Kim Chong-il.

However, Yon Hyong-muk was demoted in 1977 to the manager of Kimchaek Iron Hardware Daily Products Factory in North Hamgyong Province on account of his errors in leading the Three Revolutions Team Movement and due to a scandal. He was reinstated as a member and a secretary of the Political Bureau of the Party Central Committee in 1979. Subsequently, while maintaining these two posts, he was promoted to first premier of the State Administration Council and concurrently chairman of the Metal and Machine Industry Committee in 1985. In 1988 he was named premier of the State Administration Council, now standing at the top of the technocrats. He still holds this post.

Kye Ung-tae has emerged as a technocrat at the pinnacle of foreign trade. He was born in 1918. He graduated from a college in Manchuria and served as a liaison for Kim Il-song's partisan fighters. He went to the Soviet Union for study in 1948, and upon his return home, he worked in the International Department of the party. He was promoted to the deputy director of the same department in 1957. While serving as vice minister of Foreign Affairs in charge of foreign trade beginning in 1960, he consolidated his position as a trade expert, and subsequently became vice chairman of the Committee for the Promotion of International Trade in 1961 and minister of Foreign Trade in the second cabinet formed in 1962.

Staying on his job as minister of Foreign Trade until he became premier of the State Administration Council, Kye Ung-tae took charge of foreign trade. Subsequently, he became responsible secretary of the South Pyongan WPK Provincial Committee in 1983, a member of the party Secretariat and a candidate member of the Political Bureau of the Party Central Committee in February 1986, and was promoted to a full member of the Political Bureau in March 1988. He took charge of North Korea's foreign trade in the 1960's and 1970's, but recently he has been active only as a party official, failing to put his expertise in foreign trade to use.

Han Song-yon is a technocrat in the machine industry. He became vice minister of Second Machine Industry in the fourth cabinet formed in July 1970, and was promoted to the minister of Second Machine Industry in May 1971, and became minister of Shipbuilding and Machine Industry (in the fifth cabinet) in December 1972. Subsequently, he moved into the party when he was elected as candidate member of the Party Central Committee at the 1980 Sixth Party Congress. He is a party elite who in 1988 was promoted to a member of the Party Central Committee, a candidate member of the Political Bureau of the Party Central Committee, and a secretary of the party. He also served as a deputy to the SPA for several terms, and also accumulated his experience in local administration after he was appointed as chairman of the Chagang Provincial Administrative and Economic Guidance Committee in 1986.

In the party reshuffle in May (the 18th Plenum of the Sixth WPK Central Committee), Han Song-yong catapulted to the 10th-ranking Political Bureau member by one stroke from his party secretarial job. His meteoric rise deserves attention. He was also appointed as a member of the Central People's Committee in the election of offices for state organizations held at the First Session of the Ninth Supreme People's Assembly in May. He is the only member of the Central People's Committee among the personages mentioned above, except those who hold the posts of president, vice president, and the highest responsible persons of the governments and party secretariats of the nine provinces and the three municipalities under the direct jurisdiction of the central government. This fact alone indicates that his role has considerably enhanced in party and state organizations.

Kang Song-san's Importance in Party, Government

Kang Song-san is currently the responsible secretary of the North Hamgyong WPK Provincial Committee and concurrently chairman of the North Hamgyong Provincial People's Committee. He served as premier of the State Administration Council from January 1984 through February 1988, and is one of the typical North Korean technocrats. He was born in 1931 as a son of Kang Kon, the first chief of the General Staff of the North Korean Army who died in action during the Korean war. His activity first drew attention in 1969 when he was the responsible secretary of the Chagang WPK Provincial Committee. In that same year he was transferred to the Pyongyang WPK Municipal Committee as its responsible secretary. He was elected as a member of the party Central Committee in the Fifth Party Congress in 1970, as a deputy to the Fifth SPA (concurrently as the responsible secretary of the Pyongyang WPK Municipal Committee) in 1972. Thus he secured a firm holding in the party-government apparatus. He emerged as an important figure not only in the party but also in officialdom when he was promoted to a vice premier of the State Administration Council in the sixth cabinet formed in 1977.

Beginning in 1979 he served as vice premier and concurrently as vice minister of railways; and in the 7th cabinet formed in 1982, he became first vice premier of the State Administration Council, gaining his hands-on experience at the gateway to the full premiership. He was on a promotion track in the party also. He was named as a candidate member of the Political Bureau in 1977 and elected as its full member in the Party Congress in 1980. There was much speculation about his subsequent transfer to North Hamgyong Province as its responsible person. But, judging from his recent moves, he must be charged with an important mission to seek balanced regional development and push forward North Korea-USSR economic cooperation.

Choe Tae-pok is an expert in education who had continually served as chairman of the Education Committee of the State Administration Council in the first part of the 1980's before being promoted to a WPK secretary for education in December 1986. His promotion is indicative of North Korea's determination to step up technological as well ideological education more vigorously than ever before.

Choe Yong-nim is an administrative cadre who had continually worked as a department chief of the WPK Central Committee in the 1970's before he was promoted to a candidate member of the Political Bureau at the 1980 Sixth Party Congress. He had been very active as a full member of the Political Bureau in August 1981 and first premier of the State Administration Council in April 1984. He was suddenly relieved of his posts as first premier and a member of the Political Bureau in October 1985. Since then he became a "forgotten person." But in May he suddenly resurfaced as a candidate member of the Political Bureau and concurrently as vice premier and chairman of the State Planning Committee. In view of the fact that he was once a full member of the Political Bureau, chances are high that he will move into the power center.

On the other hand, Hong Song-nam is the incumbent premier of the State Administration Council who repeatedly served as chairman of the State Planning Committee. He began to be known to the outside world in September 1973 when he was a vice premier of the State Administration Council and concurrently the chairman of the State Planning Committee. He became an expert in "planning" as he served as the chairman of the State Planning Committee three times while his fortune fluctuated as he was successively named as member of the Party Central Committee, candidate member and later full member of the Political Bureau, chairman of the South Pyongan Provincial Economic Guidance Committee, member of the Central People's Committee until he rose to his post as first vice premier of the State Administration Council.

Kim Pok-sin is a rare female technocrat who rose to her post as a candidate member of the Party Political Bureau and concurrently as vice premier of the State Administration Council thanks to her experience in the light industry sector. She still concurrently holds her post as chairman of the Light Industry Committee. She hails from North Pyongan Province. She graduated from the central party school in 1954. While working as a manager at Kilchu Pulp Factory in 1958, she entered officialdom as vice minister of Light Industry (in the second cabinet). She was appointed as vice chairman of the light industry department of the Party Central Committee in July 1960, and in 1961 was reinstated as vice chairman of the Light Industry Committee of the State Administration Council (the title of the committee subsequently renamed). Kim Pok-sin was appointed as assistant director of the General Bureau of Local Industry of Pyongyang Municipality in 1966, as minister of textile industry and concurrently as director of the General Bureau of Textile and Garment Industry of the Light Industry Committee (in the fourth cabinet) in 1971. She has been serving as vice premier and concurrently as chairman of the Light Industry Ministry since 1982. She is also believed to be an expert on external economic affairs in view of her activity as vice premier and concurrently as chairman of the External Economic Affairs Committee, and president of Korea International Joint Venture Company from 1986 through the middle of 1988.

Hyon Mu-kwang, Former Guerrilla Fighter

Hyon Mu-kwang, an expert on the machine industry, is a rare technocrat among former guerrilla fighters. He was born in Hamhung, South Hamgyong Province, in 1913 and belongs to the partisan generation who engaged in guerrilla activities in Manchuria. His career in heavy industry began in 1961 when he became director of the heavy industry department of the Party Central Committee. He joined the cabinet as chairman of the Heavy Industry Committee in 1963 and was promoted to the minister of First Machine Industry in 1967.

He rose to his posts as candidate member of the Political Bureau and concurrently as party secretary in charge of the machine industry at the Fifth Party Congress in 1970. He then went through a variety of posts, such as chairman of the South Hamgyong WPK Provincial Committee, chairman of the North Hamgyong WPK Provincial Committee, member of the Central People's Committee and concurrently chairman of the Post and Telecommunications Committee of the State Administration Council (1972), and chairman of the Chongjin

WPK Municipal Committee (1980). He became a candidate member of the Political Bureau in 1980 and was reinstated as party secretary (in charge of the machine industry) in 1982. Later he switched to the State Administration Council in November 1985 when he became vice premier and concurrently chairman of the Construction and Machine Industry Committee. In December 1986 he was elected as chairman of the State Inspection Commission of the Central People's Committee. Currently, he ranks first among candidate members of the Party Political Bureau.

So Kwan-hui is an agricultural expert currently working for the WPK as secretary in charge of agricultural affairs. He studied agricultural science in Moscow University from 1950 through 1954, and after returning home he started his government career as director of the agricultural department of the Pyongyang Municipal People's Committee. He was appointed as director of the agricultural management bureau of the Pyongyang Municipal People's Committee in June 1960, and as chairman of the Pyongyang Municipal People's Committee in 1963, and was promoted to the chairman of the Agricultural Committee of the State Administration Council in the fifth cabinet formed in June 1973.

He rose to the post of vice premier of the State Administration Council in the sixth cabinet formed in 1980 and was transferred to the WPK in 1982 as secretary in charge of agriculture. He routinely attended various farm-related conferences and symposiums at home and abroad in the 1970's and 1980's. While concurrently serving as a deputy to the SPA, he also worked as a member of the SPA Budget Committee.

Yun Ki-pok is widely known in North Korea as an economic planner and he is also an expert on inter-Korean relations. He was born in South Hamgyong Province in 1926. While attending Kyonggi Middle School in Seoul, he left school halfway through to go to Manchuria, where he graduated from a medical college. Subsequently he went to the Soviet Union for study in 1948, and upon his return home he entered the academic profession as professor at the National Economy University in North Korea. He joined the State Administration Council as minister of common education in the second cabinet formed in 1962, and was named as finance minister in the fourth cabinet formed in 1967, and served as chairman of the State Planning Committee beginning in 1969. It has been confirmed that Yun Ki-pok was elected to the Party Central Committee at the Fifth Party Congress in 1970 and became director of the science and education department of the Party Central Committee.

In particular, he attracted our attention when he attended the North-South Red Cross talks held in Seoul in 1972 as the head of the North Korean Red Cross delegation. Either because of this or because he may have gotten deeply involved in inter-Korean affairs in the ensuing years, he was active as chairman of the Committee for the Peaceful Reunification of the Fatherland beginning in 1981. Since this May he has been chairman of the Reunification Policy Committee newly established in the SPA this May.

Nevertheless, as far as his career is concerned, his experience in economic affairs is as important as that in inter-Korean affairs. To be more specific, he was named as vice chairman of the Economic Policy Commission of the Central People's Committee in December 1978, and became first vice chairman of the same committee in October 1986. In addition, he has been active as party secretary since 1980. It seems that currently, he is giving more weight to inter-Korean affairs in his activity.

I have just presented, somewhat tediously, the profile of each of the leading technocrats among the highest-ranking officials of the WPK. Below I will examine briefly, while avoiding duplication, technocrats among the leading figures in state agencies. In fact, most of those high-ranking party officials who are of the technocratic type went through state organizations in their careers at one time or another or still hold government positions concurrently. Accordingly, it is no exaggeration to say that few high-profile technocrats may be found among party officials except those who are former or incumbent ministers or chairmen of the State Administration Council.

Technocrats in State Organizations

Now we will try to name technocratic bureaucrats by examining the results of the elections of state officials at the First Session of the Ninth SPA held on 24 May this year.

Among state organizations in North Korea, the "SPA," the "President of the State," and the "Central People's Committee" are the sovereign organs; and as administrative organs which execute the decisions of the sovereign organs under their guidance, there is the "State Administration Council." In addition, there are the "Central Procurator's Office" and the "Central Court" as judicial organizations. Considering the peculiarity of the government system in North Korea that all these state organizations are under the unitary control of the WPK, it is important to sift technocrats from among the leading bureaucrats in state organizations.

First, an examination of the list of members of the SPA standing committees shows that the list includes these figures: Standing Committee Chairman Yang Hyong-sop; Vice Chairmen Yo Yon-ku [as published] and Paek In-chun; Secretary Kim Kyong-pun; and Yi Kye-paek (chairman of the Social Democratic Party), Chong Sin-hyok (chairman of the Chondoist Chongu Party), Chong Chun-ki, Won Tong-ku, Yom Tae-chun, Chong Tu-wan, Choe Yong-hae, Pak Su-tong, Kim Song-ae, Yu Ho-chun, and Chong Ha-chol as members. On the whole, Standing Committee members represent their respective political parties and vocational groups, and in a sense they may be regarded as of the technocratic type.

The SPA has four committees to perform its functions smoothly. They are: the Bills Committee (Chairman Kye Ung-tae and Vice Chairman Pak Hak-nim); the Budget Committee (Chairman Pak Nam-ki, and Vice Chairman Chae Hui-chong); the Foreign Relations Committee (Chairman Ho Tam and Vice Chairmen Kim Yong-sun, Chong Chun-ki, Kang Sok-chu, and Kim Yong-ho); the Reunification Policy Committee (Chairman Yun Ki-pok and Vice Chairmen Kang Pyong-hak and Han Yong-su). Particularly among the members of the Reunification Policy Committee are figures familiar to us, such as Yim Chun-kil, An Pyong-su, and Chon Kum-chol. The namelist of Reunification Policy Committee members considerably overlaps that of the Committee for the Peaceful Reunification of the Fatherland, the most important North Korean organization relative to the reunification issue. The chairman of the Committee for the Peaceful Reunification of the Fatherland is Ho Tam; its vice chairmen are Chong Chun-ki, Ho Chong-suk, Yim Chun-kil, Hong Ki-mun, Yang Hyong-sop, Hwang Chang-yop, Chon Kum-chol, and Yun Ki-pok; and its secretary general is An Pyong-su.

From these lists we can pick up Ho Tam, Kim Yong-sun, Kang Sok-chu, Yun Ki-pok, Yim Chun-kil, An Pyong-su, and Chon Kum-chol as technocrats associated with North Korea's diplomacy and inter-Korean affairs. Earlier we passed without mentioning Kim Yong-nam (the incumbent vice premier and concurrently foreign minister), but he is North Korea's highest technocrat in the diplomatic domain whom we cannot overlook. Recently, the names of technocrats in charge of diplomacy and inter-Korean affairs have been reported in the press to a certain extent during the North-South high-level talks and on other occasions, so we will omit their profiles because of the limited space.

Hong Si-hak, Expert on Mining

As pointed out earlier, among President Kim Il-song and Vice Presidents Yi Chong-ok and Pak Song-chol, Yi Chong-ok is the only technocrat. The members of the National Defense Commission, the highest military-related organization which controls the People' Army and the Ministry of People's Armed Forces in North Korea, are mostly soldiers; accordingly they cannot be regarded as technocrats. The National Defense Commission was formerly under the Central People's Committee, but it was upgraded to an independent organization at the First Session of the Ninth SPA this May.

President Kim Il-song is concurrently the chairman of the National Defense Commission, and Kim Chong-il, Standing Committee member of the Party Political Bureau, is concurrently its first vice chairman. The commission's vice chairmen are O Chin-u, minister of People's Armed Forces; and Choe-kwang, chief of the General Staff. Its members include: Chon Pyong-ho, Kim Chol-man, Yi Ha-il, Yi Ul-sol, Chu To-il, Kim Kwang-chin, and Kim Pong-yul. Of these seven, Chon Pyong-ho and Yi Ha-il are party careerists, and the rest are from the military.

The Central Peoples Committee, an organization peculiar to North Korea, is the highest state guidance organization elected by the SPA. In North Korea, this committee is defined as an "organization which, upholding the president as the leader of all the people, provides leadership for the administrative and judicial organs to insure the unitary helmsmanship of the leader." The Central People's Committee elected at the First Session of the Ninth SPA consists of 17 members. They are President Kim Il-song; Vice Presidents Pak Song-chol and Yi Chong-ok; Han Song-yong, member and secretary of the Party Political Bureau; the 12 highest responsible regional officials (of nine provinces and three special municipalities); and Chi Chang-ik, secretary general of the Central People's Committee.

The highest responsible regional officials are Kang Song-san of North Hamgyong Province, So Yun-sok of South Pyongan Province, Cho Se-ung of North Pyongan Province, Hong Si-hak of South Hamgyong Province, Choe Mun-son of Pyongyang, Kim Hak-pong of South Hwanghae Province, Kang Hyon-su of North Hwanghae Province, Pak sung-il of Nampo, Yi Pong-kil of Chagang Province, Yim Hyong-ku of Kangwon Province, Yom Ki-sun of Yanggang Province, and Kim Ki-son of Kaesong.

Of the 17, we have already covered Han Song-yon and Kang Song-san. Secretary General Chi Chang-ik is an educational administrator who once served as president of Kim Il-song University. He briefly served as member of the SPA Standing Committee beginning in 1984, and since December 1986 he has been the secretary general of the Central People's Committee. He is also a member of the WPK Central Committee. All the responsible leaders of the provinces and special municipalities are concurrently responsible secretaries and chairmen of the people's committees and the WPK committees in their respective regions. Accordingly, they are in fact the most important personages in their respective regions. It can be confirmed that with few exceptions they have a long experience in local party and administrative affairs.

For instance, Choe Mun-son is a local party careerist who has long been active in North Hwanghae Province; and Kim Hak-pong is a local party careerist long active in South and North Pyongan provinces. Yi Pong-kil was an activist in Chagang and North Hamgyong provinces, and Ki Ki-song is a local party careerist who has been active alternatively in North Hwanghae, South Pyongan, and Kangwon provinces. Yom Ki-sun also is a typical local party careerist.

In view of all this, it seems difficult to regard them as technocrats. Nevertheless, of the local responsible leaders, Hong Si-hak rose to the Political Bureau candidate membership and once served as chairman of the Mining Industry Committee and as vice premier in charge of mining affairs. Kang Hyon-su, on the other hand, has a unique career. He served as a military attache to the North Korean Embassy in Moscow in the early 1960's and as director of the Political Bureau of the

Ministry of Public Security (with the rank of lieutenant general) in the early 1970's before beginning to work as responsible leaders in Pyongyang and South Pyongan Province in the mid-1970's.

Pak Sung-il is a former diplomat who once served as ambassador to Sudan. Beginning in 1980 he served as chairman of the Chagang and Pyongyang People's Committees. Yim Hyong-ku was active as the responsible person of North Hwanghae Province in the 1960's; and beginning in 1973, he was in charge of the service sector in the North Korean economy as chairman of the Public Services Committee [as published] of the State Administration Council; and he was reinstated as a local responsible person, this time in Kangwon Province. So Yun-sok, who is concurrently the highest responsible person of a region and a member of the Party Political Bureau, and Cho Se-ung, a candidate member of the Political Bureau, are rather party careerists. Cho Se-ung was once a vice premier of the State Administration Council, but it is the opinion of the author that he can hardly be regarded as a technocrat.

State Administration Council Largely Staffed With Economic Bureaucrats

As pointed earlier, almost all of the vice premiers, ministers and committee chairmen of the State Administration Council may be said to be the technocratic type. This is because the State Administration Council itself is the executive organ to implement state policies conduct administer state affairs. Below we will first list the names of State Administration Council members and then present the profiles of only typical technocrats.

The composition of the State Administration Council shows that most of the various ministries and committees are agencies dealing with the economy, except only a few such as the Ministry of Foreign Affairs, the Ministry of Public Security, the State Inspection Committee, the Education Committee, the Ministry of Culture and Art, the Ministry of Public Health, the Academy of Sciences, and the State Physical Culture Committee. Accordingly, it may be said that most of the State Administration Council members are economic technocrats. The typical economic technocrats include Kim Hwan, Kim Tal-hyon, and Kim Yun-hyok.

Kim Hwan is a technocrat representing North Korea's chemical industry sector. He worked as a researcher in scientific research institutes in the 1960's until he was appointed as the vice minister of Textile and Paper Industry in 1968. He served as vice minister of the Textile and Machine Industry beginning in 1970 until he was appointed as minister of Chemical Industry in 1972. Later, while serving as the minister of Chemical Industry, he was elected as member of the Central People's Committee in 1977 and made his debut at the North Korean political center as a secretary of the Political Bureau of the Party Central Committee in 1978. Beginning in 1977-78 he left the chemical industry sector for a while to engage in active diplomacy (particularly in the field of science and technology) in his capacity as a party representative. Between 1983 and 1986 he went through ups and downs in his career—relieved of his post as party secretary—appointed as vice premier of the State Administration Council—relieved of his office as vice premier—reinstated as party secretary—relieved of his post as party secretary. But he was appointed as chairman of the Chemical and Light Industry Committee of the State Administration Council in December 1986, as vice premier in March 1987, as vice premier and concurrently minister of the Chemical Industry in June 1988. Thus he came home to the chemical industry sector. In view of his career, it is a matter of interest when Kim Hwan will once again emerge as one of the key leaders of the party apparatus.

Kim Tal-hyon, who served as assistant director of the Academy of Sciences, is a technocrat in the external economic field. He was appointed as chief of the Office of the Councilor of the State Administration Council in 1984, as chairman of the Chemical and Light Industry Committee of the State Administration Council in 1987, and as chairman of the State Planning Committee in 1988. He shifted his post to the External Economic Affairs Committee as its chairman in June 1988, and in November in 1988 was appointed concurrently as minister of Foreign Trade. In the reshuffle carried out this May, he was promoted to the post of vice minister of the State Administration Council. He is the only figure in the State Administration Council who holds three posts [in the State Administration Council].

Besides Kim Tal-hyon, Kong Chin-tae and Chong Song-nam may be counted as technocrats specializing in external economic affairs. Kong Chin-tae supervised the service sector beginning in October 1985 when he was appointed as chairman of the Public Services Committee [as published] in October 1985. But before that, he was an expert on external economic affairs who is in charge of external economic affairs related to economic, scientific, and technological cooperation. Chong Song-nam,too, engaged in external economic affairs beginning in the 1950's. Active as minister of External Economic Affairs since 1974, he is a veteran in the field of external economic affairs.

Technocrats Likely to Emerge as Political Nuclei

In addition, Kim Yun-hyok is a technocratic vice premier who has a wide-ranging career experience as chief secretary of the State Administration Council, vice minister of Metal Industry, and chairman of the Construction and Machine Industry Committee. Kim Chang-chu, also a vice premier, is an agricultural technocrat who served as chairman of the Agricultural Committee of the State Administration Council from 1982 through 1988. There are a number of other economic technocrats. In the electric power sector, Yi Chi-chan is a figure who draws attention. Beginning his career as director of the Electric Bureau of the Ministry of Heavy Industry in

1952, he was appointed as minister of Electric Industry in 1977 and has been active as chairman of the Electric Industry Committee since November 1985.

In the machine industry sector, Yi Cha-pang and Kye Hyong-sun are among the ones at the top. Yi Cha-pang worked as a researcher in research institutions under the Ministry of Machine Industry in the early 1960's. He worked in the Machine Industry Ministry of the State Administration Council beginning in 1970, and since December 1986 he has been active as chairman of the State Science and Technology Committee. Kye Hyong-sun, who beginning in 1963, handled administrative affairs related to the machine industry, is a machine industry specialist. He has been active as minister of Machine Industry since 1977. Choe Man-hyon, who has been minister of Metal Industry since 1982, is a technocrat who has had a wide-ranging career experience as responsible person in the State Planning Committee, the State Science and Technology Committee, and the Academy of Social Sciences at one time or another.

The high-profile technocrats in the construction sector are Kim Ung-sang and Cho Chol-chun. Kim served as vice president of the College of Chemical Industry in 1955, and beginning in 1958 served as chairman of the State Construction Committee and minister of Building Materials Industry. Cho began his career as director of the Management Bureau of the Ministry of Construction in 1954, and subsequently served successively as vice chairman of the State Construction Committee and as vice minister of Construction. He has been minister of Construction since 1981.

In addition, there are technocrats in other areas also including the following figures: Kim Song-ku, who served as minister of Chemical Industry 1984-1988 and became minister of Local Industry, a post created in August 1989; Yun Ki-chong (female), who has been serving as minister of Finance since early 1980's; Yi Chong-yul, who while active in the public health sector, was the head of the North Korean delegation to the eighth and ninth North-South Red Cross talks in 1985; and Chang Chol, who has been in charge of the cultural and art sector since the 1960's (he was promoted to vice premier in May).

We have briefly examined the backgrounds of those who may be regarded as typical technocrats in North Korea at the present stage. Many experts on North Korea speculate that these technocrats will not end up mere administrators in the party and government sectors but before long emerge as political nuclei in North Korea. This speculation is based above all on these factors: the complete retirement of the partisan generation expected in a few years from now; a wholesale shift in generation in the government and party hierarchy; and the forthcoming retirement of Kim Il-song and building of the Kim Chong-il successor leadership structure.

These experts argue that there is the possibility that these technocrats will advance fast and emerge as a force challenging the Establishment in North Korea. In other words, in their opinion, it is possible that in the process of building the Kim Chong-il leadership structure, confusion or unrest will develop and some of the technocrats will collectively put up resistance to the existing establishment, ideological and political order, and economic policies. There is also vague speculation that in the welter of confusion in building the successor leadership structure or in political order, a young military group educated in modern military technology might stage a military coup d'etat and venture to reform the Establishment in North Korea in league with technocrats.

Slim Chance for Becoming Force Against Establishment

These speculations are considerably influenced by the wishful thinking that North Korean technocrats will embark on the tasks of "reform" and "opening." On the other hand, some experts on North Korea argue that North Korea is in a dilemma between the political task of maintaining the Kim Il-song leadership structure and building the Kim Chong-il successor leadership structure, (namely, the aspect of the "party spirit") on the one hand, and on the other, the economic task of economic construction, (namely, the aspect of "technology and specialty). All these observations and speculations seem plausible, but in the opinion of the author, they are much removed from facts, lacking concrete proof to substantiate their predictions.

This is because the likely technocrats who may be counted on launching into reform must be found among the current key party and government leaders; but we cannot overlook the fact that as pointed out earlier, on the whole the technocrats who grew up in the 1970-1980 period have practically been in charge of socialist construction in North Korea. The backgrounds of the key technocrats show that they have for long taken part in making economic and other important decisions. Therefore, North Korean technocrats must have applied themselves to find flexibility or "professional finesse" in managing society and economy within the framework of the Establishment in which thought and ideology take precedence over all else, and they will continue to do so.

Needless to say, depending on the political, economic, and social conditions and the pace of development in North Korea, there will be a continuing need for "change" and North Korea will seriously seek "its own way of change" while maintaining its Establishment-oriented characteristics. In this process it is expected that the role and importance of the technocrats will continue to grow.

In addition, we need to pay attention to the fact that in reality, the process of the recent emergence of technocrats is closely related to building the Kim Chong-il successor leadership structure. It is speculated that shift in generation within the North Korean hierarchy is under way in relation to building this successor leadership structure, and the same is true with the process of supplementing the Establishment with technocrats.

When Kim Chong-il takes over all government and party powers, it is expected that he will follow the foot steps of Kim Il-song and supplement his own leadership structure with expert bureaucrats having ideological and revolutionary qualifications, and after all continue to place at the center of the government and the party those technocrats seeking to pursue somewhat flexible policies while maintaining the political, economic, and social structures established heretofore in North Korea.

Of course, chances are high that Kim Chong-il himself will try to adopt bold and flexible e policies in order to muster popular support, and this, too, as is expected, will enhance the role and importance of the technocrats.

*Motives for Kim's 'Secret' China Visit Analyzed

912C0018 Seoul PUKHAN in Korean No 10 Oct 90 pp 32-37

[Article by Kim Chang-sun, managing director of the Institute of North Korea Studies: "An Analysis of Kim Il-song's Latest Visit to China"]

[Text] According to foreign press reports, Kim Il-song, who left Pyongyang by train on 11 September, has wound up a three-day secret visit to China after talks in Shenyang with CPC General Secretary Jiang Zemin and other Chinese leaders. Meanwhile, some say that he arrived in Beijing on 13 September, went into a huddle with Deng Xiaoping and returned to Pyongyang the same day.

Earlier, in November last year, Kim Il-song secretly visited Beijing and had confidential talks with Jiang Zemin and Yang Shangkun. What was his intention in visiting China informally for the second time in less than a year?

Intent To Bar UN Membership for ROK

It is difficult to expect that Kim Il-song will abandon his doctrine called the "chuche ideology" and replace it with a normal, rational line. Nor is he the sort of man insensitive to or easily confused, bewildered and stunned at a series of changes in the objective situation. He showed greater concern than anybody else ever did over the changes in East European countries and the Soviet Union. And he enthusiastically supported the way China handled the Tiananmen incident. These facts suggest how sensitive he is to change that might threaten the North Korean leadership.

Communists would consider change in the objective situation first, then try to work out their response. They make a close study of the situation before taking any action at all. It is their habit. Therefore, one should not merely view communists as people rigid and obsessed with ideological "fantasy" but recognize another aspect of their quality—that is, they skillfully respond to realities while consistently adhering to their "principles" regardless of time and place. For them, this is a "tactical turnaround," a pretext under which they can change themselves overnight if necessary.

Kim Il-song's latest visit to China was undoubtedly based on a judgment that the time has come for North Korea to get together with China and jointly respond to developments in the Far East, particularly those between North and South Korea. According to a report by NOUVYE VREMYA, a major weekly published in Moscow, Soviet Foreign Minister Shevardnadze, during his visit to Pyongyang on 2 and 3 September, notified North Korea of Soviet plans on rapprochement with South Korea. Objectively viewed, the Soviet move meant a diplomatic blow to North Korea, reflecting a successful Northern Policy of the ROK Government; consequently, North Korea inevitably became restless. The development had a direct impact on the issue of UN membership for the ROK; it undeniably raised the possibility of the Soviet Union eventually approving UN membership for Korea—be it a simultaneous admission of North and South Korea or a unilateral membership for South Korea—instead of continuing to exercise its veto. Consequently, if North Korea is to block UN membership for South Korea, the only remaining alternative was for it to rely on China's veto. This explains one of the reasons why Kim Il-song hastily made the informal visit to China.

To Reaffirm Policy Change, Explore Countermeasures

However, there has been a major change in China's Korean peninsula policy, too. First of all, the Deng Xiaoping leadership, moving away from the Mao Zedong-era thought, respects the traditional Chinese philosophy that one cannot define a situation by picking just one of the conflicting aspects. Thus, attaching importance to the fact that there exists not only Pyongyang on the Korean peninsula but also Seoul, its counterpart, it has ushered in a Yellow Sea triangle era. The Yellow Sea triangle in this case means the triangle formed by Beijing, Pyongyang and Seoul with the Yellow Sea in the center. Through the 1986 Asian Games and the 1988 Seoul Olympic Games, Seoul and Beijing rapidly developed interchanges. Their 1989 trade reached $42 million.

Nevertheless, China cannot but be conscious of North Korea's presence. Because of this so-called North Korea factor and China's one-state-two-systems reunification principle, progress in PRC-ROK political relations, unlike in economic relations, has developed at a snail's pace.

According to the one-state-two-systems principle, China's reunification will definitely be centered on the PRC (Communist China) while Taiwan and Hong Kong will retain their systems merely as provincial governments of a reunified China. It denies them the status of a constituent state of a federation.

Realities of the two states on the Korean peninsula, when seen in the light of this principle, do not fit into the Chinese divide-and-unify formula. In the past, China supported the North Korean plan for a democratic confederal republic of Koryo, which, however, did not mean that it approved of two sovereign states existing in North and South Korea. What it meant is that the confederal republic to be established in the future will exist as a single state and that only in the interim until that goal is reached will the North and South Korean regimes be allowed to retain their respective systems.

During his 1984 Pyongyang visit, then CPC General Secretary Hu Yaobang proposed reunification of the Korean peninsula based on the Chinese one-state-two-systems doctrine. But the proposal meant nothing more than putting a formal one-state-two-systems label on the North Korean reunification-by-communization formula. In other words, Beijing's China reunification policy is for integration of Taiwan and Hong Kong, as local governments, into the PRC Government of the mainland; likewise, in the Korean reunification, the Chinese support was for the two systems of North and South Korea being integrated into the "DPRK" Government.

However, China was compelled to revise the extension of the one-state-two-systems doctrine to the Korean peninsula. At a news conference with Chinese and foreign reporters on 28 March this year, Foreign Minister Qian Qichen said that as the Chinese mainland and Taiwan should be reunited sooner or later, North and South Korea should be reunified at an early date. However, he noted, it is not absolutely necessary for Korea's reunification to proceed under the same formula or conditions as that of China. Qian's remark made clear China's revised position that although China's reunification will be carried out with the PRC (Communist China) as the basis, it is not imperative to make the "DPRK" the basis in the Korean case.

It can be said that Kim Il-song's latest visit is aimed at reaffirming the revised Chinese position regarding the North Korean reunification plan and exploring countermeasures.

Apprehensions Over Postgames Prospects

Also, in this connection, Kim Il-song must be apprehensively concerned over how China-South Korea relations will change after the Beijing Asian Games. The ROK-China trade in 1989 grew six times as much as the ROK-USSR trade. Even a ferry service began operating between South Korea and China. Kim Il-song should know that China, currently concentrating its national energy on the four modernization programs, cannot afford to delay a decision on political relations with Seoul indefinitely just because of the North Korea factor. In the past, China, "respecting" Kim Il-song's opposition to the two-Korea and cross-recognition plans, supported the North Korean reunification plan based on a North-South confederal system. However, now that it has made public its will to change that position on the grounds that it has become a factor obstructing relations with South Korea, Kim Il-song has come to feel pressures not only from Soviet policy but also from Chinese policy as well.

Kim Il-song had no alternative but to go and have secret talks with Chinese authorities on the USSR's Eastern policy, particularly the policy toward the Korean peninsula. Moscow had made clear its Korean peninsula policy regardless of Kim Il-song's isolation policy. Dr. Titarenko, director of the Institute of the Far Eastern Affairs of the USSR Academy of Sciences, in his speech on "the present status and prospects of USSR-South Korea relations" at a Seoul seminar on 16 April 1990, stated: "first of all, North and South Korea should recognize the stern reality that two governments exist on the Korean peninsula and formally declare that both are independent sovereign states alike. Secondly, the neighboring powers including the United States, China, the Soviet Union, and Japan should contribute to easing tension on the Korean peninsula through their cross recognition of North and South Korea. Thirdly, recognition of North and South Korea as sovereign states through the cross-recognition process contributes to fulfilling the ROK people's desire for reunification."

Meanwhile, President Gorbachev, in his congratulatory cable to Kim Il-song marking the 9 September North Korean holiday, said that "the Soviet Union will in the future continue to strengthen relations between our two countries in a way that suits the peace and the interests of Korea and the Asia and Pacific region in general."

As seen in the above, the Soviet Union now views the Korean peninsula issue in the light of its Asia and Pacific region policy, even openly promoting the cross-recognition plan involving the United States, China, the Soviet Union, and Japan. Kim Il-song himself should know very well that it is after all unrealistic, and not in North Korea's interest, that North Korea put up a "lone" resistance against the Soviet Union which openly promotes the cross-recognition plan despite the obstinate North Korean rejection. With whom does Kim Il-song have to discuss the Soviet advances into the Pacific region, the Far East in particular? Pyongyang and Beijing, after all, are still most reliable allies to each other, are they not? Answers to these questions will probably tell why Kim Il-song had to visit his Chinese comrades for secret talks.

Next, in respect to trends in the situation surrounding the Korean peninsula, Kim Il-song is confronted with a grave ordeal in the form of a mid-course correction of his Japan policy. He has to tackle the question of what to give and what to take in the contact with the Japanese ruling party [the LDP-Liberal Democratic Party] scheduled to take place in September.

Heretofore he continued his diplomatic offensive against the LDP through political ties with Japan's No. 1 opposition party [the JSP-Japanese Socialist Party]; however, he is in now for political bargaining with a Japanese delegation led by the LDP's most powerful man and including JSP representatives and even Foreign Ministry officials.

Needless to say, it will be quite justifiable for North Korea to demand Japan's apology and reparation for its colonial rule in the negotiations; however, it will by no means be an easy task to deal with such realistic issues as the release of Fujisan Maru crew members and the opening of liaison offices on a mutual basis. Negotiations over the Japanese fishermen release issue—in which North Korea has been demanding the repatriation of NCO Min Hong-ku—continued to experience difficulties to date because of subtleties involving South Korea.

Kim Il-song, who is after Japanese money and technology, must be pondering how positive a stance he should assume concerning the Shevardnadze-mediated rapprochement with Japan and whether he should add ransom money to his reparation claim. The fact that Foreign Ministry officials are included in the Japanese entourage suggests that the level of the upcoming bargaining will exceed all the party-level negotiations in the past.

Especially, regarding the speculated opening of the liaison offices, if it should lead to the establishment of diplomatic missions in the future, the cross-recognition plan to which North Korea is opposed will emerge as a real issue. Thus, North Korea, while shifting its course toward better relations with Japan, will inevitably bring on some isolationist limits to avoid a normalization similar to the one between the Soviet Union and South Korea.

Needless to say, Japan, inevitably conscious of its relations with the ROK, will feel restraints against proceeding too rapidly. Inasmuch as the issue involves the U.S. and Chinese policies on the Korean peninsula, it is not the kind of issue that can be settled overnight.

Kim Il-song seems to have expressed his willingness for open economic relations with Japan as recommended by China. However, how far can he go with open policies with Japan and other Western nations without causing a shock to the isolated, closed North Korean society? Or, how much interest will Western nations show in North Korea which is unable to repay its debt? These are by no means simple questions to answer.

Exploring Ways for an Economic Breakthrough

In this connection, Kim Il-song might perhaps have thought that, historically viewed, China is also in the same plight in a broad sense. And his Beijing visit could have been an attempt to explore a joint approach.

Next comes the question involving the prospects of the current North-South prime ministers' talks and related developments. At the first session held in Seoul, North Korea indeed obtained Seoul's concession to withhold its plan for separate UN membership, agreeing in return to resumption of the North-South Red Cross talks. However, Kim Il-song will remain agonized over what the establishment of a structural peace and coexistence on the peninsula means by itself, and what consequences it entails to preservation of the closed system.

Ostensibly, North Korea carried out some glossy construction projects during the 1980's. Beneath the surface, however, the industrial and agricultural stagnation is so severe that North Korea even stopped publishing statistics. This is not to say that there have been no developments at all. The growth is extremely slow and, to make it worse, the military buildup goes on unabated regardless of the total scale of the economy that is far below a 10% line of the ROK economy. For these symptoms, the outside world has quite naturally diagnosed the North Korean economy as bankrupt. In fact, but for the Soviet assistance, it would be in even more serious trouble.

Because of its own economic difficulty, however, the Soviet Union has been compelled to withdraw its "preferential treatment" for North Korea. In short, it is now demanding that North Korea pay for oil it imports form the USSR at international market prices or in hard cash.

Under these circumstances, it is quite possible that Kim Il-song thought that he should go and talk heart to heart with close friends whom he can trust and that this thought prompted him to visit China.

*DPRK Lack of Response on War Victims Viewed

912C0032 Tashkent LENIN KICHI in Korean 26 Oct 90 p 4

[Article by Kang Sang-ho]

[Text] Anger and resentment are sacred feelings to man. I happened to know such feelings too soon. My mother passed away when I was eight. My father was killed in combat with the Japanese armed intervention army when I was eleven. The anger and resentment resulting from these two facts have been burning in my heart. If I think that these can be anybody's misfortune, however, these feelings are not insurmountable. On the other hand, it soothes me to think of revenge by fighting with the Japanese, my implacable enemy, when I grow up and become a soldier fighting for national independence.

There are different kinds of deep-seated anger and resentment that we cannot forget not even for a moment. There are those resulting from our parents and little brothers and sisters being taken away at gun point and their whereabouts and fates never being known. When we asked about their whereabouts and fates, they told us lies and even criticized us for asking them.

There are millions of Korean people living in the Soviet Union, who have been agonizing all their lives with deep-seated anger and resentment in their hearts. The offspring of those who were victimized by Stalin's violence in the 1930's and 1940's got a belated official response from the Soviet Union's judicial system, and they are in deep sorrow.

Families of those innocent 50 Korean-Russians who were sent by the Russian Government to North Korea by their request, however, are leading miserable lives since the fates of those 50 are not known. Thirty years have already passed since they were forced to be separated from their parents, brothers, and sisters. But feelings of anger and resentment are getting stronger.

Recently in Moscow, I met Vera, the wife of comrade Kim Yong-su [one of the Korean-Russians sent to North Korea]. Kim is a cousin of Pak Yong-bin who recently visited Pyongyang and got a warm reception and many gifts from the same bloody hands who killed the innocent Korean-Russians. When Vera cried instead of saying hello to me, I felt my heart break. When I heard her say, "How happy you must be since you are able to come back to Russia and live with your children and offspring!," I felt as though a knife were being stabbed in my heart.

I met Lisa in Karaganda, a daughter of my old friend, Ch'oe Chong-hak. Ch'oe was a four-star general and former North Korean Army Political Bureau chief, and was later purged. When she saw me, she hugged me and started crying without saying a word. But when she said, "You came back alive. But do you know which jail or camp my father, mother, brothers, and sisters were killed in?," it sounded as if she were scolding me.

I felt my heart tear apart. Although I never forgot the comrade-in-arms, the regret that I might not have done all that I could do for him always agonized me, like a horrible disease in the corner of my heart. Although the fates of my comrades-in-arms were reported in the North Korean newspaper, I felt it was not enough. That is why I am writing this grievance.

In Moscow I met Yelena, the wife of Ho Ik (former principal of the North Korean Central Party school), her sons Valeri and Anatoliy, and her daughter Galina; Yevgeniy, the son of Pak I-wan (former deputy-premier); and the son of Ho Pin (former party chairman of North Hwanghe Province). Meeting them always caused us tears and sighs.

When I visited Tashkent, I visited the wife of our comrade-in-arms, Pak Ch'ang-shik, who was purged together with Comrade Kim Ch'an (former Finance Minister and major general of the People's Armed Forces of North Korea). This old lady is still waiting for her husband to come back to her. She does not want to believe that such a good and kind husband was purged. We all cried when we met our comrade-in-arms' wife, whose hair turned grey waiting for her husband with tears and sighs.

Dear fellow comrades-in-arms and comrades! We cannot just wait and see. If we think that "Since I returned to the Soviet Union alive, I am lucky," it is immoral. According to the North Korean newspaper, some of our comrades-in-arms are showing betrayal to the whole world by visiting the very man who killed our comrades, praising him, getting commendation and expensive gifts from him, and having their pictures taken with him, completely forgetting other comrades who were victimized by him. What a shameful act! Aren't our anger and resentment deep-seated?

The Korean people, who were liberated from the Japanese colonial rule in 1945, should have lived happily, but the reality is to the contrary.

Millions of innocent Korean people left their hometowns for China, Russia, and the United States to avoid Japanese oppression and exploitation during the occupation. Furthermore, ten million people lost their hometowns and families due to the Korean war. They spent painful days on the Korean peninsula due to the Korean war.

In the Soviet Union, families of the 50 of our comrades-in-arms, who were sent to North Korea to participate in the construction of our fatherland and were victimized by one man's oppression, are agonizing over the fates of their parents, brothers, and sisters.

Now is the time when the Iron Curtains are being demolished in various parts of the world, and human rights and democratic freedom are being protected and humanitarianism is being highly voiced. However, only the Democratic People's Republic of Korea in this world is neglecting all of these movements and has kept the Iron Curtain closed. North Korea is secretly hiding even the fates of the 50 victims and when asked about their fates, they provided inhumane and insulting answers as an official response.

The anger and grievance of the families of the victimized cannot die down by itself. The anger and grievance will be a miserable lesson generation after generation, as they float like a tragic legend with the passage of time.

*Officials of Korean-Soviet Association Elected

912C0024 Tashkent LENIN KICHI in Korean
17 Oct 90 p 1

[By a LENIN KICHI reporter: "The National Association of Koreans in the USSR Holds Its Second Plenary Meeting"]

[Text] The National Association of Koreans in the Soviet Union [NAKSU], formed in May this year opened its second plenary meeting in late October.

Present were delegates of cultural centers of Koreans from all over the Soviet Union—Moscow, Sakhalin, Kazakhstan, Primorye, Khabarovsk, the Ukraine, the central Asian republics, and the Baltic Sea republics.

The plenary meeting marked the launching of concrete programs by cultural centers and associations.

In the first-day session, participants elected members of the Standing Committee of the NAKSU Central Council. Among them were representatives of republic and local cultural centers and presidents of LENIN KICHI and KORYO ILBO as well as members of the NAKSU leadership.

The Standing Committee will coordinate activities of republic and local cultural centers and deal with major problems pertaining to the associations within its authority. In this connection, local cultural centers are completely independent in dealing with their local problems. At the same time, NAKSU is charged with the mission of uniting the efforts of all the cultural centers and cooperating with them in devising and implementing programs of vital interest to Koreans in the USSR.

The plenary meeting also approved the appointment of advisers for NAKSU. They were Kim Yong-ung, deputy to the USSR Congress of the People, who worked as chairman of the founding and organizing committee for NAKSU; Hwang Man-kum, honorary chairman of Politotdel Kolkhoz and socialist labor hero; and Yi Vladimir Petrovich, adviser for the CPSU Central Committee.

Also approved were the creation of the following permanent committees.

1. The Committee on Language, Culture, Information and Publications
2. The Committee on Social and Economic Affairs
3. The Committee on Science, Technology and Education
4. The Committee on People's Problems
5. The Committee on the Handicapped, the Aged and Youth
6. The Committee for External Liaison

These committees will formulate and implement basic NAKSU programs for their respective areas.

Next, participants in the plenary meeting heard a report by NAKSU President Pak Mikhail Nikolayevich on "the Programmatic Task of NAKSU," and held a debate on it.

In his report, the NAKSU president pointed out as follows:

The Stalinist repression which imposed countless tragedies on all the Soviet people inflicted pains on Koreans in the Soviet Union too. We were unreasonably subjected to repression and relocation and we were deprived of our fine sons and daughters. It was our tragedy that the Korean culture in the Soviet Union was thus obliterated.

Thanks to the revolutionary turnaround under the policy of openness, Koreans in the USSR came to have the possibility of reviving their national language, spirit, culture, traditions and customs. Throughout the Soviet Union, Korean cultural centers, associations and other social organizations were formed for brisk activities. This fact proves that our national consciousness has awakened. The forming of NAKSU in May this year made it possible to coordinate through it activities of these national social organizations in a reasonable manner. The main task of NAKSU is to unite Koreans in the Soviet Union on the basis of the internationalist spirit of the Soviet people.

Activities of NAKSU, representing the autonomous national rights of the Koreans in the USSR, are based on Soviet laws providing for the "free national developments of the Soviet citizens." These laws guarantee not only the legal basis for NAKSU activities but also the rights for Korean-Soviet citizens to establish programs in the socio-political, cultural and national areas based on the right of self-determination. For the purpose of ensuring the free developments of Koreans in the USSR and the complete realization of the equality and the national interests of the Soviet people, NAKSU (with the cooperation of local cultural centers and associations) will closely cooperate with public and state agencies and, in cooperation with these agencies, take measures to perfect the form of national self-determination for Koreans in the Soviet Union. It will also cooperate in creating national districts, national communities, national villages and other administrative units (in keeping with procedures established by the law) in areas where Koreans reside collectively.

NAKSU will pay priority attention to the task of reviving and developing the Korean national culture in the Soviet Union. In this respect, the speaker emphasized, NAKSU will make a maximum use of inner possibilities and possibilities it gains through external relations.

The second NAKSU plenary meeting will prove to be a turning point in the history of the Koreans in the Soviet Union.

Our national movement has become a realistic factor in Soviet social life and is now increasing its vitality.

*Creation of Office of Vice President Suggested

WA1312144490 Seoul CHUNGANG ILBO in Korean 13 Nov 90 p 3

[By Reporter Kim Hyon-il]

[Text] When the scandal caused by the DLP's [Democratic Liberal Party] denouncement of its promise of a constitutional revision to adopt a PCS [Parliamentary Cabinet System] barely ended with a temporary peace, the PPD [Party for Peace and Democracy] president, Kim Tae-chung, indicated his firm intention to win the presidency by proposing a political system that has an office of vice president.

Kim Tae-chung's proposal to revise the Constitution to include a vice president was made on 12 November at the PPD's third anniversary ceremony. "Since the ruling party has given up the PCS, the 1992 fall election will once again be a direct election to choose a president," Kim stated. He further suggested that a vice president position be established, and that the members of the

14th National Assembly be selected in runoff elections between the two top candidates for each assembly seat. In other words, Kim Tae-chung has made his goal of a constitutional revision prior to the next presidential election very clear.

Although Kim's vice presidency proposal is not new, the timing makes one wonder about his real motive. Why has Kim suggested another constitutional revision when political tension already exists because of a possible reemergence of the revision?

Everyone agrees to the fact that Kim has reconfirmed his firm intention to win the Chongwadae, and one way to realize his goal is by making proposals such as this one.

A president-centered political system has been Kim's favorite, but, as the last presidential election proved, he is aware of his problems - regionalism and the division in the opposition support - which Kim is determined to solve.

One leading speculation indicates that Kim decided to promote a vice president position in order to get around the regional problems, and to promote runoff elections for Assembly seats to combat the disunity among the opposition.

This can also support Kim's reason for opposing the ruling party's theory that in order to overcome regionalism and to prevent a president from being selected from a minor party, a PCS is needed.

Also, Kim is skillfully manuvering to prevent the reemergence of a constitutional revision to adopt the PCS by announcing early that his official promise for the next parliamentary election for the 14th National Assembly will be to propose a constitutional revision to add a vice president position. This means that any immediate National Assembly meetings to revise the Constitution have to be about Kim's proposal.

Another speculation is that Kim, knowing the ruling party's serious internal problems, which have everything to do with the presidential succession issue, and feeling that the ruling party's problems have started because of the political system under the current Constitution, decided to encourage further disorder in the ruling party by reintroducing an old issue.

In other words, Kim has started fanning the flames of the ruling party's internal power struggle over the presidential successor, so that the ruling party will not have any time to recover. This speculation may be close to the truth.

This is supported by Kim's open indication of his intention to run for the presidency made immediately after President No, who, after promising to use all available means to revise the Constitution to adopt the PCS, denounced the PCS, showing No's limited power as a lameduck president. Thus Kim's proposal had more than enough wind to rock even more an already unstable ruling party.

A potential to hurt and divide the ruling party is there if Kim brings such issues to President No at their future Chongwadae meeting.

"From this point on, YS (Kim Yong-sam) will begin collapsing," a statement frequently made by Kim which probably comes from his prediction that the ruling party's complicated internal problems will get worse.

Therefore, Kim's determination to be the next president, and his strategy to succeed seems to be to continue to bring up issues, such as the constitutional revision, to disrupt the ruling party.

*Changes in SNU Activities, Capabilities Noted

*Student Movements, Scholarships

WA1312160790 Seoul HANGUK ILBO in Korean 4 Nov 90 p 18

[By Reporter Ko Chae-hong]

[Text] According to the "1990 SNU [Seoul National University] White Paper," dated 3 November, student movements in 1989 were considerably fewer, while students' circle [club] activities and professors' research activities increased considerably - both in quality and quantity.

The report showed that 3,870 students took part in 932 student club activities. While the number of student clubs is the same as the previous year, the number of students participating in general interest club activities soared from 480 to 1,047, and from 723 to 947 in religious club activities.

Scholarships also showed improvement; up 14.9 percent, which made total distribution 63.7 percent. The value of scholarships also rose 110,000 won, which came to 650,000 won per recipient. The total distribution of scholarships was 8.6 billion won, an increase of 3 billion won.

The report also noted a high level of research activities by the faculty. Theses (3,099) and booklets (352) were published by 1,081 professors, showing an increase of 30 percent from the year before. Only 279 booklets and 2,467 theses were published in 1988. This increase is considered significant because little or no progress was made in academic research in the 1980's.

Comparing the two years, 1989 not only showed an increase in quantity, but also showed improved quality. 2.47 theses per professor in 1988 increased to 2.87 in 1989, and 344 papers published in foreign journals in 1988 rose to 436 in 1989. Research funds paid out increased to 19.6 billion won in 1989, an 11 percent increase over 1988.

However, there was insignificant change in the student-teacher ratio. 19.5 to one in 1988 merely dropped to 19.1 to one in 1989. Also according to the report, the number of professors who began long-term paid sabbaticals for domestic or foreign research activities, and the number of professors visiting abroad on business decreased in 1989.

*Research Centers, Institutes

WA1312164090 Seoul MAEIL KYONGJE SINMUN in Korean 8 Nov 90 p 17

[By Reporter Yim Kyu-chin]

[Text] Seoul National University (SNU) is becoming a research-oriented school.

To meet industrial demands and to utilize the school's excellent intellectual talents, SNU is strengthening and expanding its research capabilities. To this end, SNU, joined by industry, is establishing academic-industry joint research centers. Along with importing state of the art equipment, the school is promoting active research activities by the faculty and graduate students.

The School of Engineering, considered the center for this change, currently has about 160 faculty members and approximately 1,400 advanced school students who are actively engaged in research at various joint research centers.

The first joint research center for general purposes was established in 1963. Since than the Semiconductor Research Institute was established in 1985; the New Material and Factory Automation Research Institute was established in 1988; and this year computer technology, technologies for basic electronics, precision machinery, new media communications, etc. have opened. Firmly supported by these research centers and institutes, changes at SNU are continuing.

These academic-industry joint-research centers and institutes, which are fully equipped and have human resources equal to any bonafide research center, are noteworthy.

Thus far approximately 20 billion won has been invested in the joint centers, and 1,300 projects have been completed. Recent successful consortiums of small and medium businesses have shown unwavering leadership in the academic-industry joint-research fields.

The Semiconductor Research Institute, which was established for basic semiconductor technologies research, is operating under the supervision of four permanent teaching staff and 25 specialists. Supported by both industry and government, the institute is currently engaged in the development of customized direct integrations and very large-scale integrations (VLSI). The Semiconductor Research Institute, with nearly 10 million dollars worth of equipment, is a facility that can be used jointly by the faculties and researchers of all universities in the country.

The New Material Research Institute is dedicated to developing new materials, believed to be the key to advancement in the high-tech industry, such as new metal materials, new electronics materials, new ceramic materials, new textile materials, and high polymer materials, etc.

It is realized that without the three basic ingredients: research; productivity of developed materials; and ability to assess and analyze new materials, development of new materials is very diffcult. In this regard, the Institute is doing quite well with an excellent network connecting related fields within SNU.

Other SNU research centers also do well helping build SNU's new research-school image by using the school's excellent talent in needed projects.

This change in SNU is interpreted as SNU's earnest effort to support industry by developing various technologies including basic, applied, and practical sciences.

The director of SNU's Engineering Science Research Institute, Yi Myon-u, explained that "our research development policy in the past has been aimed at advanced countries' formats, which did not do anything for our own development," and stressed that "from now on, the concentration will be on the development of ROK-suitable, Korea-type technologies which also can be marketed." Director Yi futher explained: "The reasons for SNU's new role is that adapting to today's reality, marching toward the advanced industrial society, is an obvious role for universities," and "SNU would like to dedicate its highly skilled faculty, students and research facilities to the country's development."

Also SNU is looking to the future after the changes are completed; both in funds and manpower needed in various research institutes. SNU has begun a program to raise 100 billion won from alumni and others which will be used for recruiting and maintaining skilled personnel who can carry out the projects developed by the research institutes.

Burma

Government Outlaws Party for National Democracy

BK2112012490 Hong Kong AFP in English 1738 GMT 20 Dec 90

[Text] Bangkok, Dec 20 (AFP)—Burmese military authorities Thursday revoked the registration of a political opposition party after its former chairman went underground and set up an alternative government near the Thai border earlier this week, state-run Radio Rangoon said.

The radio, monitored here, said the decision to revoke the registration of the Party for National Democracy (PND) was made by the ruling military junta-backed General Election Commission, which was charged with supervising the multiparty general elections held in May.

It said the PND was registered with the commission in February last year and its founder Sein Win formed the alternative government near the Thai border Tuesday.

According to the radio, other Executive Committee members of the PND remaining in Rangoon had claimed they were no longer responsible for the party's activities.

Since registration, the party had 12 Executive Committee members, it said.

Dr. Sein Win, however, contested under the banner of the main political opposition party, the National League for Democracy (NLD), which captured 392 out of 485 parliamentary seats in the elections.

The new government was formed following talks between more than 10 NLD MPs and the Democratic Alliance of Burma (DAB), an umbrella organization made up of 21 anti-Rangoon groups who believe in armed struggle.

Since the May elections the government has refused to hand over power to the NLD and has arrested scores of party members, including most of its national executive in a massive crackdown.

The NLD during a special meeting in Rangoon the same day that the alternative government was formed expelled the eight of its MPs who set up the government.

In a statement, the NLD said the MPs had been "relieved of their party responsibilities and their party membership revoked."

Dr. Sein Win was named prime minister of the National Coalition Government of the Union of Burma, which was formed at Mannerplaw, close to the Thai border.

Government Revokes Opposition Party's Registration

BK2112071190 Rangoon Domestic Service in Burmese 1330 GMT 20 Dec 90

["Announcement No. 902 of the Commission for Holding Multiparty Democratic General Elections of the Union of Myanmar—dated 20 December]

[Text] Subject: Deregistration of Party for National Democracy, as a political party.

1. The Commission for Holding Multiparty Democratic General Elections of the Union of Myanmar [Burma] announces that the Party for National Democracy, which has its headquarters at No. 114 Pyay Road, Mayangon Township, Yangon [Rangoon] Division, was permitted registration as a political party by the Commission in accordance with Article 5A of the Political Parties Registration Law on 27 February 1989.

2. The party was first formed with Dr. Sein Win as chairman and had seven executive committee members. Dr. Sein Win signed the assurance for the party in accordance with the Political Parties Registration Rule. Since chairman Dr. Sein Win, who signed the assurance for the Party for National Democracy without resigning from his party, has formed a parallel government in collaboration with the insurgents, it is evident that the party is in breach of Article 3B of the Political Parties Registration Law.

3. Also the remaining Executive Committee members cannot produce any substantial evidence to take over the party duties in accordance with paragraph 14 of their party's constitution.

4. Therefore, the registration of the Party for National Democracy as a political party with this commission has been revoked in accordance with Article 6 of the Political Parties Registration Law with effect from 20 December 1990.

By the authority vested in me:

Signed: Aye Maung, secretary

Goodwill Delegation Returns From PRC 20 Dec

BK2012145190 Rangoon Domestic Service in Burmese 1330 GMT 20 Dec 90

[Text] A Burmese goodwill delegation led by Lieutenant General Tin Tun, member of the State Law and Order Restoration Council [SLORC], minister for transport and communications and for labor and social welfare, and commander in chief of the Air Force, returned from the PRC this afternoon by air.

The goodwill delegation was welcomed at Yangon [Rangoon] Airport by General Than Shwe, deputy chairman of the SLORC, deputy commander in chief of the Defense Srvices, and commander in chief of the Army; Rear Admiral Maung Maung Khin, minister for mines and for energy and commander in chief of the Navy;

Major General Khin Nyunt, secretary-1 of the SLORC; Maj. Gen. Tin U, secretary-2 of the SLORC; Brigadier General Thein Win, chief of staff of Air Force; Brig. Gen. Maung Maung, commander of the No. 502 Air Force Base; Mr. Cheng Ruisheng, PRC ambassador to Myanmar [Burma]; and responsible officials.

Brunei, Malaysia & Singapore

Malaysia

Envoy Praises UNSC Resolution Against Israel

BK2112093690 Kuala Lumpur International Service in English 0800 GMT 21 Dec 90

[Excerpts] The United States has joined in supporting a unanimous UN Security Council [UNSC] resolution deploring Tel Aviv's plan to deport Palestinians and calling for unprecedented UN monitoring of their safety. [passage omitted]

Meanwhile, Malaysia has welcomed the UN resolution and described it as a major event. Its permanent envoy to the world body, Datuk Razali Ismail, said the resolution reflected the council's commitment to the holding of such a key function for West Asia for the first time. The resolution was initially sponsored by four nonaligned nations—Malaysia, Cuba, Colombia, and Yemen. Datuk Razali played a major role in holding discussions with his American and Finnish counterparts to ensure a unanimous decision.

Singapore

President Receives New PRC Envoy's Credentials

BK2112073290 Kuala Lumpur BERNAMA in English 0615 GMT 21 Dec 90

[Text] Singapore, Dec 21 (OANA/BERNAMA)—China's first Ambassador to Singapore Zhang Qing Friday presented his credentials to President Wee Kim Wee at the Istana [State Palace].

Zhang, 57, was the deputy director, Department of Asian Affairs in his country's Foreign Affairs Ministry before being appointed ambassador to Singapore.

He had previously served in China's embassies in Vietnam and Thailand as second and first secretaries, respectively.

Singapore and China established diplomatic ties in October this year.

Cambodia

Hun Sen, SNC Delegates Leave for Paris Meeting

BK2012122390 Phnom Penh Domestic Service in Cambodian 1100 GMT 20 Dec 90

[Communique on departure of a delegation of Supreme National Council members of the State of Cambodia for the Paris International Conference on Cambodia; date of communique not given—read by announcer]

[Text] At the invitation of the cochairmen of the Paris International Conference on Cambodia, a delegation of Supreme National Council [SNC] members of the State of Cambodia headed by Comrade Hun Sen, chairman of the Council of Ministers of the State of Cambodia, left Pochentong Airport in the afternoon of 20 December to attend the meeting between the SNC and the cochairmen of the Paris conference on Cambodia to take place soon in Paris.

The delegation included Comrade General Tie Banh, vice chairman of the Council of Ministers and minister of national defense; Comrade Kong Sam-ol, vice chairman of the Council of Ministers; Comrade Hor Namhong, minister of foreign affairs; Comrade Chem Snguon, member of the Council of State; and Comrade General Sin Song, minister of the interior.

Accompanying the delegation were Comrade Sok An, deputy foreign minister; Comrade Cham Prasit, deputy minister attached to the Council of Ministers Cabinet; Comrade Uch Kim-an, deputy minister assistant to the chairman of the Council of Ministers; and several other cadres.

Seeing the delegation off at Pochentong Airport were Comrade General Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and chief of the General Political Department of the Cambodian People's Armed Forces; Comrade Chea Soth, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Comrade Sar Kheng, member of the party Central Committee Political Bureau, chief of the party Central Committee Cabinet, and chairman of the party Central Conmmittee Organization Commission; Comrade Mat Ly, member of the party Central Committee Political Bureau, vice chairman of the National Assembly, and vice chairman of the party Central Committee Control Commission; Comrade Mrs. Men Sam-an, member of the party Central Committee Political Bureau and chairman of the Kampuchean Federation of Trade Unions; Comrade Nguon Nhel, member of the party Central Committee Political Bureau and minister of agriculture; Comrade Ney Pena, member of the party Central Committee Political Bureau and vice chairman of the party Central Committee Control Commission; Comrade Sim Ka, alternate member of the party Central committee Political Bureau and secretary of the Phnom Penh City Party Committee; Comrade Lieutenant General Pol Saroeun, alternate member of the party Central Committee Political Bureau, deputy defense minister, and chief of the General Staff of the Cambodian People's Armed Forces, and several other leading cadres of party, state, front, and mass institutions at the central level. Comrade Ngo Dien, ambassador extraordinary and plenipotentiary of the SRV to Cambodia, was also on hand.

Hun Sen on Conditions for UN Plan

BK2112005890 Hong Kong AFP in English 1833 GMT 20 Dec 90

[Text] Bangkok, Dec 20 (AFP)—Cambodian Prime Minister Hun Sen left here Thursday for Paris to attend a meeting of Cambodia's Supreme National Council (SNC).

Mr. Hun Sen, who was accompanied by 20 delegates, said at the airport during his brief stopover here that he would accept a proposed UN peace plan for his country only if three proposals were met.

The proposals include respect for the sovereignty of Cambodia, observance of the UN Charter and measures to prevent a return to power by "the genocidal regime" of the Khmer Rouge.

The Beijing-backed resistance faction's radical Marxist rule of Cambodia from 1975 to 1979 was marked by the deaths of hundreds of thousands of people before it was ended by a Vietnamese invasion.

"If the proposed draft did not mention this, we are not in a position to accept it," Mr. Hun Sen said.

The Khmer Rouge and China refuse to accept any mention of genocide.

However, Mr. Hun Sen said he was not going to Paris to reject the proposal but to complete the parts that were missing and also to rectify some provisions contradictory to the UN Charter, Cambodia's sovereignty and human rights.

The SNC, to represent Cambodian sovereignty ahead of UN-supervised elections, was set up in September but shortly afterwards suspended its first meeting due to differences over its composition and leadership.

France and Indonesia, who co-chair the international Paris conference on Cambodia, will Friday submit to the 12 SNC members—six for the Phnom Penh regime and six for Cambodia's tripartite opposition coalition—a proposed UN peace plan for their country.

The plan proposes UN administration of Cambodia until the holding of free elections.

Phnom Penh, which is supported by Vietnam, has said it is opposed to the dismantling of its government and security forces, as envisaged in the plan.

The tripartite resistance guerrillas battling the Phnom Penh government include the Khmer Rouge and two non-communist factions loyal to former monarch Prince Norodom Sihanouk and ex-Premier Son Sann.

Hun Sen, Delegation Arrive in Paris

AU2112101090 Paris AFP in English 1003 GMT 21 Dec 90

[Text] Paris, Dec 21 (AFP)—Cambodian Prime Minister Hun Sen arrived here Friday for talks aimed at winning approval for a draft Cambodian peace plan and said that Cambodians themselves would decide what powers should be delegated to the United Nations in seeking a settlement.

The draft Cambodian peace plan agreed here on November 26 by the "big five" permanent members of the Security Council—United States, Britain, France, Soviet Union and China—gives sweeping powers to the U.N. transitional authority, including control of key ministries in Cambodia.

Mr. Hun Sen said that while a United Nations role was necessary in solving the Cambodian problem it must be "well defined and in conformity with its Charter." He added that serious steps should be taken to get rid of the legacy of the Khmer Rouge who ruled Cambodia between 1975 and 1979.

Indonesia and France, co-chairing the Paris International Conference on Cambodia, have called together Friday the 12-member Supreme National Council (SNC) in hopes that the newly-formed Cambodian sovereign authority can agree on the U.N.-sponsored peace plan worked out here last month. The SNC, formed three months ago and comprised of the three Cambodian resistance factions and the Phnom Penh government representatives, is recognised as the "only legitimate source of authority" in Cambodia, under the plan. It calls on the SNC to delegate "all necessary powers" to the United Nations during the transitional period.

But Mr. Hun Sen said here Friday that Cambodia "must not be placed under the control of another country or an international organization." Only the Cambodian people had the right to choose their own future with elections the key to a political solution.

The Cambodian premier set out three fundamental principles for settling the Cambodian problem—strict respect for Cambodian independence and sovereignty.-..strict respect of the U.N. Charter, and guarantees that the genocidal regime of Pol Pot's Khmer Rouge would not return.

"Cambodians within the SNC ...will decide between themselves what powers will be delegated to the United Nations," he said.

"I and my colleagues will take measures aimed at the definitive suppression, and prevention of any resurrection, of the genocidal regime of Pol Pot," said Mr. Hun Sen.

He said there should be a rapid end to all foreign military aid, a cease-fire applied throughout Cambodian territory and free elections held as soon as possible.

Mr. Hun Sen told one journalist at the airport that he had come to "renegotiate" the U.N. peace plan.

Hun Sen, Canada's Trudeau on Peace Stance

BK2112065290 Phnom Penh Domestic Service in Cambodian 0430 GMT 21 Dec 90

[Text] On 19 December at 1500, Comrade Hun Sen, chairman of the Council of Ministers, received Pierre Elliot Trudeau, former Canadian prime minister. Also present were Deputy Foreign Ministers Comrade Sok An and Comrade Long Visalo, and Comrade Uch Kim-an, deputy minister attached to the chairman of the Council of Ministers.

Speaking on the occasion, Comrade Hun Sen warmly welcomed the former Canadian prime minister and informed the guest about the development of a number of political issues, particularly the process and the goal of the search for a political solution to the Cambodian problem, the goodwilled stance of the State of Cambodia, and his assessment of the Paris meeting.

Concerning the draft agreement for a comprehensive solution worked out by the five major powers, Comrade Hun Sen clearly explained and specified the State of Cambodia's stance to absolutely demand respect for Cambodia's sovereignty and for the Cambodian people's right to self-determination, respect for the UN Charter, and prevention of the genocidal regime's return.

Replying, Pierre Elliot Trudeau profoundly thanked Comrade Hun Sen for the meeting and the cordial reception he received during the visit to Cambodia. Pierre Elliot Trudeau was very impressed with the achievements scored by the Cambodian people. He stressed the position of Canada and Western countries in their absolute opposition to the genocidal regime and denounced the Pol Pot group's military activities since the complete withdrawal of Vietnamese troops from Cambodia.

Chea Soth Opens Information Ministry Meeting

BK2112100590 Phnom Penh Domestic Service in Cambodian 0430 GMT 21 Dec 90

[Summary] On the morning of 20 December, the Information and Culture Ministry held its annual meeting under the chairmanship of Chea Soth, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers.

Also present were Kim Yin, member of the party Central Committee and director general of the Cambodian people's radio; Yos Son, member of the party Central Committee and education minister; Koy Buntha, member of the party Central Committee and minister for war invalids and social affairs; and Yim Chhaili, member of the party Central Committee and health minister. The meeting is planned for three days and will review and assess the 1990 tasks and set targets for the coming years.

Opening the meeting, Hang Chuon, information and culture minister, said despite efforts of cadres in all units and departments, not all the tasks carried out in 1990 achieved good results and stressed that the real results will be apparent only in the future because cultural tasks are linked to people.

Also speaking on the occasion, Chea Soth congratulated and highly appreciated the efforts of cadres and workers to contribute to increasing the people's confidence in the party and state leadership.

Phnom Penh on Battle Successes in Oddar Meanchey

BK2012134190 Phnom Penh Domestic Service in Cambodian 1200 GMT 20 Dec 90

[From the "Weekly Roundup of Salient Events" feature]

[Excerpt] [passage omitted] Generally speaking, both at the border and inside the country, including a number of mountainous and remote forested areas, the three reactionary Khmer groups continued to conduct their shooting activities, and to transport forces, arms, and ammunition into the interior. They also continued to sneak into some outlying villages in order to rob the people, sabotage property, and spread psychological warfare propaganda in their attempt to topple our people's government and, taking advantage of the current political talks, to bring the genocidal Pol Pot regime back to Cambodia.

In the border region of Oddar Meanchey Province, on 13 December 1990, the enemy, supported by artillery fire, attacked Svay Chek Village and a number of other localities north of National Route 6 within the perimeter of Preah Net Preah District. Along with savage artillery shellings, the enemy senselessly launched an infantry attack on Svay Chek. However, their attack was repelled by our courageous armed forces defending the Svay Chek area. The bandits were checked and prevented from massacring the people and laying waste to their property.

As a result, we firmly defended our territory, causing the enemy to beat a hasty retreat, leaving behind 23 bodies and 16 prisoners.

On 18 December 1990, in a patrol operation, our forces in Svay Chek discovered another 11 enemy bodies. On the same day, we launched a counterattack on the enemy, killing 20 on the spot and wounding 30 in the area north of Svay Chek.

In total, last week we put out of action 162 enemy soldiers, killing 84 of them on the spot, wounding 35, capturing six, and accepting surrender from 37 others. We also seized five assorted weapons and a large quantity of war materiel. [passage omitted]

Prince Norodom Ranariddh Issues Statement 6 Dec

BK2012133590 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 20 Dec 90

[Statement by Prince Norodom Ranariddh, personal representative of Samdech Norodom Sihanouk in Cambodia and Asia, commander in chief of the National Army of Independent Cambodia, and general secretary of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia (FUNCINPEC), on 6 December—recorded]

[Summary from poor reception] Today, 6 December, I would like to present you with a cursory report on the current situation of the process to solve the so-called Cambodian problem. Most of our people in the country are yearning for peace. Samdech Euv [Norodom Sihanouk] and our FUNCINPEC are well aware of our people's craving for peace. Our FUNCINPEC and all peace-loving countries the world over, including the five permanent members of the UN Security Council, members of the Paris international conference on Cambodia [PICC], and the ASEAN have been striving for years to promote the peaceful settlement of the Cambodian problem.

Let us have a look at this effort in December 1990. We know that the big five have established the five framework documents which would give us the last chance to have self-determination through free elections. "I would like to stress that the UN documents constitute a framework for the Cambodian solution. They are not a framework for discussion on the settlement at all. There is a big difference. Hun Sen said they are the basis for discussion, but we said that they are basis for a solution.

"These five documents of the big five have already been accepted in Jakarta by Hun Sen himself together with the other three on our side. It has been clearly noted that we have recognized these documents unconditionally, without what you would call reservation. However, Hun Sen later on refused to accept them. He set this and that condition, trying to ignore the signature he afixed in Jakarta on 10 September 1990."

A few weeks ago the chairmen of the three PICC working committees and the two cochairmen as well as the UN representative met in Jakarta. The big five and the Indonesian cochairman met again in Paris on 25 November and worked out plans for a comprehensive settlement in line with the UN framework documents. They intended to submit these plans for discussion by all Cambodian factions.

"So, peace seems so close. Next January—which is not far away because we are now in December—there will be a final international conference in Paris to set a stamp of approval on these documents, and peace, cease-fire, cessation of foreign aid, Vietnamese troop withdrawal, and the handover of some state powers to the United Nations will take place in Cambodia. Just one and half years after that genuine elections will be held under the organization and supervision of the United Nations. These elections will not be held under the control of the Phnom Penh authorities. Therefore, if all self-proclaimed peace-loving Cambodian factions agree, just in one and one half years we will have peace. Next January when the Paris conference is held and if the UN framework documents are accepted, we will stop fighting. We will live in peace. No more bloodshed for Cambodians and Vietnamese."

Therefore, we will have elections under UN supervision in one and a half years. Those of you present here who have come from various localities inside Cambodia, such as Stoung, Varin, Battambang, and Oddar Meanchey, know that it was not true that the 1983 elections under Hun Sen were free and democratic as there was only one party running in the elections. I, Rannariddh, would like to make it clear here that to have free elections many parties should be allowed to participate. There must be the FUNCINPEC party, the KPNLF party, the Chea Sim-Hun Sen party, the Khieu Samphan party, and other parties from France and elsewhere and the Cambodian people must choose.

Now that the United Nations has set up a framework for the Cambodian solution, I would like to solemnly declare that the FUNCINPEC fully, unconditionally supports the UN documents for the settlement of the Cambodian problem. All Cambodians who love peace should join us in supporting these documents.

"However, on 21 November in Battambang, on another date which I forget in Kompong Cham, and later on 4 December in Svay Rieng, Hun Sen instead announced that his regime refused to be dissolved as required by the UN documents. He declared his refusal to hand over his authority to the United Nations. He announced that he refused to let his troops and arms be placed in barracks. He said that the Khmer Rouge would refuse to do the same. According to the UN documents, all armed Cambodians—be it Khmer Rouge, Khmer Hun Sen, or Khmer Green—would be grouped and kept in certain places. He said no. He refused to have his men assembled. If he refused, the Khmer Rouge, too, would refuse. If this happens, how can there be peace? How can there be a cease-fire?

"If he refused, the Khmer Rouge would also refuse and so would we and the Son Sann faction. This would be the more reason for the Vietnamese to refuse, of course. Thus, fighting would continue."

In refusing to dismantle his regime, Hun Sen also makes free elections impossible as there would be Hun Sen-Chea Sim authorities and police everywhere to frighten the voters away.

While we on the resistance want peace through the UN framework documents, Hun Sen wants war by rejecting the documents. All patriots, all venerable monks, and all compatriots at home can judge by yourselves that in refusing to dissolve his party and his regime, Hun Sen wants to let this party and regime continue serving Vietnamese interests. This means that he wants to see his group remain in power.

Our beloved Samdech Euv appealed to Hun Sen and all Cambodian factions to meet in a brotherly meeting in Paris. Hun Sen rejected the call with unexpected insolence. At France's insistence, Samdech Euv again invited the 12 members of the Supreme National Council [SNC] to meet in Paris so that the PICC cochairmen could submit the final framework documents to them and discuss other issues, such as the SNC chairmanship, cease-fire, and so on. In a 4 December statement in Svay Rieng, Hun Sen again rejected the invitation and again used very foul language.

He said he did not believe Sihanouk could solve the problem. He said he would go to Paris if invited by the Indonesian cochairman. While refusing to meet fellow Cambodians to solve the Cambodian problem, Heng Samrin and others went to Vientiane to meet with the Vietnamese. The people can judge who really is the obstacle to the peaceful solution to the Cambodian problem, who loves peace, and who opposes peace.

I would like to observe that after the Bangkok meeting, Hun Sen has become very arrogant. He rejected the UN framework documents. According to my analysis, Hun Sen has been spoiled by Western opinion in the United States and France. Hun Sen was believed to be gentle, flexible, and liberal. But a newspaper this morning just revealed that it is Chea Sim, a hardliner, who is the strongman in Cambodia and not Hun Sen. Chea Sim is said to have won the support of the party who believes that Hun Sen is too conciliatory toward the resistance. Hun Sen must thus show that he is defending Vietnam's more than Cambodia's interests. "Supporting UN framework documents which call for free elections is defending Cambodia's interests because the verification of Vietnamese troop withdrawal and the sending of Vietnamese war materiel out of Cambodia does not serve Vietnam's interests at all. The verification of Vietnamese immigrants in Cambodia, too, does not serve Vietnam's interests." Hun Sen, thus, has to reject the UN documents. If he supported them, Chea Sim would continue to gain in popularity.

You would think that there is no hope. But I say we still have some hope. Let us see: Vietnam is experiencing great economic difficulties at home. The Soviet Union is even demanding debt repayment from Vietnam. However, Vietnam expected to replace the Soviet Union with U.S. and Japanese support. But I was told by Assistant Secretary of State Quinn in Bangkok that the United States would never normalize relations with Vietnam unless it fulfills three conditions: to unconditionally accept the UN documents; to sign these documents in Paris next month; and, after signing them, to implement them. Otherwise, the United States and Japan would continue to veto any World Bank and IMF grants to Vietnam. Therefore, Vietnam cannot redress the economic woes at home at all.

The Soviet Union also has cut its aid to Phnom Penh and asked for debt repayment of $800 million. It is true that Hun Sen personally has $65 million stashed somewhere. This was revealed by a Cambodian from San Diego who visited Phnom Penh and reported this to us in a seminar. But I do not think that Hun Sen would use his $65 million to repay the $800 million Phnom Penh owes the Soviet Union. Hun Sen hopes the United States, Japan, and France would help him. But so long as he opposes the UN documents, no aid would come forth from France, the United States, or Japan.

To get oil from the Soviet Union, Phnom Penh would have to pay for it. And every Vietnamese soldier fighting for Phnom Penh now is being paid $7 a day or $210 a month. For this reason, Phnom Penh is trying hard to attack and recapture Pailin from the Khmer Rouge to get some money from the precious stones in Pailin. Moreover, the people in the country are protesting the forcible draft of the young men who are hiding in the jungle.

Therefore, pressed by world and local opinion, Hun Sen will have no option but to agree to settle the Cambodian problem this year or next.

I have this to add that in his later pronouncements, Hun Sen has been escalating verbal attacks against Samdech Euv and myself. The people can see that the samdech and myself are his real threat, and not Pol Pot. The more he attacks the samdech and myself, the greater chance we will have to win in the elections. I promise all of you that ours is the one and only path toward peace and freedom, peace in accordance with the UN framework documents.

"In conclusion, I take this opportunity on 6 December 1990, to make a brief appeal to all venerable Buddhist monks and beloved compatriots in the country: Do your best to prevent the Chea Sim-Hun Sen regime from obstructing the peaceful settlement of the Cambodian problem. There is only one peaceful settlement of the Cambodian problem in Cambodia's interests: to solve the problem according to the UN documents."

SRV Boats Said Ambushed in Kompong Chhnang

BK2112031090 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 20 Dec 90

[Text] On 13 December, the Vietnamese enemy aggressors and their puppets, Vietnam's lackeys, gathered over 400 of their troops, including over 200 genuine Vietnamese soldiers, 16 large Navy boats, and 100 boats, in an attempt to oppose us in the Stoeng Chinit area in Kompong Leng District, north Phnom Penh battlefield.

However, they were ambushed and routed by our national resistance forces. We killed five enemy soldiers on the spot, including a Vietnamese regiment commander, and wounded 12 others; destroyed two Navy boats and damaged two others; and seized a quantity of war materiel.

Correction to Report on Defense Line Liberation

BK2012030590

The following correction pertains to the item headlined "Defense Line in Oddar Meanchey Said Liberated," published in the 19 December East Asia DAILY REPORT, page 26:

Column two, paragraph one, first sentence, make read: ...resistance forces have surrounded and attacked this... (correcting word "surrendered" to "surrounded")

Laos

Trade With USSR in Last Five Years Updated

BK1912111090 Vientiane KPL in English 0946 GMT 19 Dec 90

[Text] Vientiane, Dec 19 (KPL)—Trade volume between Laos and the Soviet Union has reached 278.1 million rubles, out of its gross value of 305 million rubles. In the past 5 years since the agreement was signed, Laos exported to the Soviet Union coffee, parquet, sliced wood, tin ore and others amounting to 43 million rubles.

Whereas its import from the Soviet Union was 262 million rubles worth. These were items such as communication equipment, vehicles, fuel, medical equipment and medicines, steel, cement, spare parts of vehicles and aircraft, and others.

Besides, Laos has received from the Soviet Union three million rubles worth of gratuitous aid in scientific and technical cooperation. In this connection, the Soviet Union has dispatched 253 experts to assist Laos in various technical domains: irrigation design, artificial insemination of cows, the analysis and plantation of medicinal herbs, hydro-power, soil analysis in Champassak and Savannakhet Provinces, oil and natural gas prospection, the geological mapping project with the help of aerial to topography.

Daily Thanks China for Interest-Free Loan

BK2112041890 Vientiane Domestic Service in Lao 0500 GMT 20 Dec 90

[Undated PASASON article: "A Gift From the Hearts of the Chinese People to the Lao People"]

[Text] Respected listeners, during the recent visit to Laos by the high-level Chinese delegation led by PRC Premier Li Peng, The Chinese side decided to grant an interest-free loan of 50 million reminbi to the Lao People's Democratic Republic and the entire multiethnic Lao people for funding basic economic projects in Laos and to help build a satellite television-relay station as a gift to the Lao people. This is not the first gift given by the Chinese people to the Lao people. But it is a gift from the heart and one of profound affection from the Chinese people to the Lao people for the new year of 1991.

The Lao and Chinese peoples have maintained the tradition of mutual assistance and solidarity since ancient times. The gift of the heart from the fraternal Chinese people given to the Lao people at a time when we are implementing the policy of restructuring for socioeconomic development reminds us of the resistance period in our country in which, for several decades, the Lao people encountered numerous difficulties and hardships in our struggle for national liberation against the colonialists and neocolonialists and their henchmen. During that period, the fraternal Chinese people rendered assistance to our people in many fields. Lao students were also sent to attend schools in China. Therefore, when the relations and cooperation between the two countries have been restored, consolidated, and normalized in all fields and are gradually expanding in all aspects, it is expected that our cooperation in the social, cultural, and educational fields will be further developed to a new level.

At the talks held between the heads of the governments of the two countries during Li Peng's visit, as well as the various consultations held between the two sides on political and economic issues, the two sides unanimously agreed on several issues, particularly the expansion of relations and cooperation between the two countries on the basis of equality and mutual benefit. At the same time, the two sides saw the need to open a consular general office in each other's countries to further promote the already blossoming good relations for the common interests of the Lao and Chinese peoples.

The brilliant success of Li Peng's visit is not only an event of historic significance in the relations between the two countries, but also creates a high level of great satisfaction for the Lao people in seeing that the time-honored tradition of mutual assistance and solidarity between the two countries is increasingly developing with every passing day. Even though the visit to Laos by the high-level Chinese delegation has ended and the Chinese delegation led by Premier Li Peng and his wife has already returned home, the multiethnic Lao people would like to convey our profound thanks and gratitude as well as our warm greetings and profound fraternal solidarity through Li Peng and his wife to the fraternal Chinese people.

We wish the great Chinese people under the leadership of the CPC new greater successes in implementing the economic reform and open- door policies aimed at strongly contributing to increasing the all around strength of the PRC and to gradually improving the living conditions of the Chinese people.

Foreign Minister Awards Order to UNDP Official

BK2012141690 Vientiane KPL in English 0939 GMT 20 Dec 90

[Text] Vientiane, Dec 20 (KPL)—Mr. Phoun Sipaseut, vice chairman of the Council of Ministers and minister for foreign affairs of the Lao People's Democratic Republic, on behalf of the Lao Government, conferred here yesterday morning an Order of Merits' "Labor" (First Class) on Ms. Carroll Long, resident representative of the United Nations Development Programs (UNDP).

The latter on the occasion was bidding farewell to the Lao vice chairman of the Council of Ministers.

Ms. Carroll Long has assumed the post in Laos since 1986. During her mission here, she has made great deeds in her contribution to socioeconomic development in Laos. Thanks to her, a number of funds from various international organisations were obtained for the implementation of development projects in the Lao PDR [People's Democratic Republic].

During 1986-1990, she has helped to organize two roundtable meetings contributing to better understanding in the new policies and guidelines of the Lao PDR among non-socialist countries and different international organisations. Subsequently, the aid funds to Laos have augmented.

The UNDP rendered US dollars 26.99 million worth of aid funds during 1982-1986, while the assistance from the UNDP during 1987-1990 has risen to US dollars 46.7 million, 73 per cent increase.

In recognition to her personal efforts and virtues, the Lao government has decided to confer the medal on the UNDP resident representative Ms. Carroll Long.

Kaysone Sends Message to Thailand's Chatchai

BK2012163490 Vientiane Domestic Service in Lao 1200 GMT 20 Dec 90

[Text] His Excellency Kaysone Phomvihan, chairman of the Council of Ministers of the Lao People's Democratic Republic [LPDR] today sent a telegram of greetings to His Excellency General Chatchai Chunhawan, prime minister of the Kingdom of Thailand, in Bangkok.

The telegram reads: On the occasion of Your Excellency's reappointment as prime minister of the Kingdom of Thailand, I extend my sincere congratulations to Your Excellency and wish Your Excellency brilliant success in Your Excellency's noble duty. I hope that the expanding brotherly and neighborly relations between our two countries will be further improved for the common interest of the Lao and Thai peoples, peace, stability, and cooperation in this region.

On the same occasion, His Excellency Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs of the LPDR, also sent a telegram of greetings to His Excellency Dr. Athit Urairat, foreign minister of the Kingdom of Thailand, in Bangkok.

The telegram reads: On the occasion of Your Excellency's appointment as foreign minister of the Kingdom of Thailand, I extend my sincere congratulations and wish Your Excellency brilliant success in Your Excellency's noble duty. I hope that as Your Excellency is in charge of foreign affairs, the brotherly relations and cooperation between our two countries will be further promoted and improved for the interest of the Lao and Thai people, peace, stability, and cooperation in Southeast Asia and the world.

Mongolian Party Sends National Day Greetings

BK2012133190 Vientiane KPL in English 0951 GMT 20 Dec 90

[Text] Vientiane, Dec 20 (KPL)—The Lao People's Revolutionary Party Central Committee [LPRP CC] recently received a message of greetings from the People's Revolutionary Party of Mongolia Central Committee, on the occasion of the 15th anniversary of the national day of the Lao PDR [People's Democratic Republic].

The message expressed congratulations to the LPRP CC and through it to the Lao people of all ethnic groups. It also wished for greater success in the national construction in the Lao PDR for the happiness and prosperity of the Lao people.

Phoumi Vongvichit Greets Polish President Walesa

BK2012141290 Vientiane KPL in English 0944 GMT 20 Dec 90

[Text] Vientiane, Dec 20 (KPL)—The Lao acting President Phoumi Vongvichit recently sent a telegram of greetings to Mr. Lech Walesa on his election to the presidency of the Republic of Poland.

Mr. Phoumi Vongvichit, on behalf the entire Lao people, extended sincere congratulations and best wishes of good health to the newly elected president of Poland. He further voiced hope of the uninterrupted development and consolidation of the friendly relations between the two countries and people in the common interest of the two people.

'Last' Group of Refugees for 1990 Returns Home

BK2012142890 Vientiane KPL in English 1004 GMT 20 Dec 90

[Text] Vientiane, Dec 20 (KPL) - The Thai authority on December 17 handed over 114 Lao refugees of 24 families who wished to return home on a voluntary basis to the Lao authority, reported the Vientiane Municipal Service of Public Health and Social Welfare.

A ceremony to welcome these returnees of Sayaboury origin was held here with the UNHCR's [United Nations High Commissioner for Refugees] official presence.

This batch of repatriates was reported as the last one for 1990.

Philippines

Aquino Appoints Biazon New Armed Forces Chief

HK2112044990 Quezon City Radyo ng Bayan in Tagalog 0215 GMT 21 Dec 90

[Speech by President Corazon C. Aquino at the celebration of the Armed Forces of the Philippines' 55th Anniversary held at the Camp Aguinaldo quadrangle in Quezon City—live in English]

[Text] General Renato de Villa, Secretary Fidel Ramos, Honorable Diosdado Macapagal, Speaker Ramon Mitra, your excellencies of the diplomatic corps, the honorable members of the House of Representatives, fellow workers in government, the officers, men, and women of the Armed Forces of the Philippines [AFP], distinguished guests, my beloved countrymen.

At the PMA [Philippine Military Academy] graduation rites in 1987, I said to our people that the AFP will spike the (soul) on the left and the right and permanently end all threats to freedom. Four years after that declaration, we come to assess our efforts. The Armed Forces of the Philippines has brought honorable victories in the name of democracy. Our adversaries are now weakening.

Statistics support this. CPP-NPA [Communist Party of the Philippines-New People's Army] strength has been reduced by almost 30 percent, from 25,200 men in 1987 to 17,910; and their firearms are down from 15,500 in 1987 to 11,830. The influence they exerted over 8,000 barangays has now been reduced to 5,752 barangays. Of the 66 CPP-NPA guerilla fronts existing in 1987, we have successfully dismantled 12, bringing the fronts down to 54. The National Reconciliation and Development Program paved the way for the surrender of 15,000 CPP-NPA regulars and subversive mass activists. Clearly the tide has turned in our favor.

Similarly, the Mindanao secessionist movement frontlined by the MNLF [Moro National Liberation Front], MILF [Moro Islamic Liberation Front] has weakened considerably. It is now placed at 21,600, down from 26,200 in 1987. In their possession now are 11,000 assorted firearms as against the 14,000 they had almost four years ago. Their efforts to recruit more members were offset by the surrender of some 9,200 leaders and followers, bringing 6,270 firearms of various calibre.

For these achievements, I congratulate the AFP and its chief of staff, General Renato de Villa, as well as the chiefs of the four major service commands. You have shown unflinching devotion to our goals. But our new democracy is not without its own challenges. Some military officers who stood by us during the days of EDSA [Epifanio de los Santos Avenue] turned against the duly constituted government, but they had failed in all seven attempts to topple this government, for they did not have the people's support for their cause. The failure of the rebel soldiers' adventurism again and again proved that our newly restored democracy has grown strong and unyielding.

Of those charged for having participated in the various coup attempts, 151 persons have already been convicted and more than 1,800 of those who were deceived into joining have either been relieved, acquitted, or exonerated. Some 2,400 remain under restraint or undergoing trial or pre-trial investigation. Only 190 continue to be at large.

These are our gains and successes. Yet in the midst of all these, our struggle to eradicate all threats coming from various sources continue. We have laid the foundations of our strategy to dismantle our enemies' stronghold. We now give proper attention to sustaining the military's momentum and the performance of its role in the campaign against all forms of insurgency.

The first of our thrusts requires that we continue purging the military organization of the remaining few who dishonor the profession. Some soldiers and ex-soldiers have been implicated in a number of illegal activities. I have directed the AFP chief of staff and the major service commanders to be unrelenting in their efforts to weed out the remaining undesirables.

I have striven to make clemency the hallmark of my administration. But the manner by which some people abuse the policy of reconciliation eventually required the recourse to arms and the application of justice. We have to consider heavier penalties, especially for crimes against public order.

Last October, Republic Act No. 6968 was signed into law making coup d'etat punishable with the highest penalty. This should warn all those seeking power through violence that we are determined to confront them with all available legal weapons of the state.

Yet, we cannot move only in reaction to what happens around us. We must be more sensitive and conscious of methods and approaches. This will preclude costly mistakes. Most of all, we must have confidence in the men and women on whom we depend for our security and be able to rely on them to remain true and loyal to the government and the people.

I have therefore encouraged our military commanders to continue with value formation programs for our soldiers, for a strong moral fiber will ensure that the skills and firepower of our soldiers will have the proper direction.

The success of the Armed Forces rests significantly on the state of morale of the men and women in uniform. The requirements of the profession are numerous, and the sacrifices it demands are sometimes extreme. We must, therefore, give some priority to the delivery of health services and logistics to our soldiers in the field. These are essentials that must not be taken for granted nor forgotten. Our soldiers' incomes have been adjusted to make this more commensurate to a decent life.

Housing projects, health care services, and other forms of assistance are continuously being pursued to further enhance the soldiers' quality of life.

We have likewise extended additional benefits to those who have retired from the service. For the families of those who lay their lives for the service, Republic Act No. 6963 was enacted in August of this year to grant special financial assistance and benefits. There are also more bills pending in Congress aimed at further improving the lives of the military. These bills provide for increased special group term insurance coverage for the AFP and the PNP [Philippine National Police]; scholarships for deserving military officers and enlisted personnel; rank structuring and promotions as well as early retirement benefits.

The Armed Forces of the Philippines will definitely face other serious demands in the future. But the AFP can successfully adapt through material and organizational improvements.

I am aware that the Philippine Navy and the Philippine Air Force urgently need to acquire new ships and aircrafts to complement the capability of our ground forces. The air and naval assets that protect the integrity of our territorial sea and air space need to be modernized. And the acquisition of modern equipments must be accompanied by quality specialized training. Furthermore, the AFP is expected to undertake a realignment by next year, with the recent creation of the Philippine National Police.

The PNP is established in accordance with the provision of the Constitution for a civilian police force. The Philippine Constabulary will cease to be a part of the AFP and along with the Integrated National Police will serve as the core of the new police force. The AFP will thus revert to the traditional tri-service setup. While we allow the PNP to strengthen its posture in maintaining law and order and in eventually handling peace and internal security problems, the AFP will be focusing its developments towards national defense. The communist and the ultra-right insurgencies have deep rooted causes that they face sometime to address. Long lasting solutions could be in the form of economic development and increased deliveries of basic services.

Presently, we are in deep economic difficulties, a consequence primarily of the crisis in the Persian Gulf. But we are not alone in this predicament. This is the time for us to put our creativity and our ingenuity to work. This crisis will pass and our future will be brighter.

I must stress that progress and rapid development involve teamwork among government agencies and between the government and the private sector. The parallel sanctions of the AFP and the PNP should pave the way for the establishment of a strong and cordial relationship. Soldiers of the republic, let me express my heartfelt appreciation to all of you who have stood by the principles of democracy in the most critical time. The Armed Forces of the Philippines has remained the true protector of the Filipino people. While you, our soldiers, carry out your mandate of maintaining national security in our land, you have also managed to prove yourselves important partners in the pursuit of our goal of progress and development. [applause]

A new chief of staff will soon take over the command of this noble institution. For the past few weeks, I have talked with senior officers of the AFP as part of the process of selecting the person to lead the AFP after General Renato de Villa retires from the service. And so, I take this occassion to announce today that for the next AFP chief of staff, I shall nominate Major General Rodolfo Biazon. [applause] His tour of duty will be up to April 1991 when he reaches the retirement age of 56 [sentence as heard]. I shall also be nominating Major General Guillermo Flores as the new vice chief of staff. [applause] I shall likewise be nominating Brigadier General Lisandro Abadia as the new commanding officer of the Philippine Army. [applause] With your support, I look forward to a smooth turnover of responsibility that will not disrupt the existing programs and projects of the AFP and the rest of government.

I take this occasion also to announce the forthcoming promotions to the grade of brigadier general, commodore of the following whose nominations or appointments will be submitted to the Commission on Appointments: Colonel Eldejia R. Mendoza [applause]; Colonel Ruperto Espia Jr. [applause]; Colonel Alfredo D. Reyes [appaluse]; Captain Ernanito P. Gabales [applause]; Colonel Ciriaco S. Reconquista [applause]; Colonel Antonio C. Yamson; Captain Isidro O. Codera; Colonel Jorge G. Lajera; Colonel Antonio D. Ocampo; Captain Eduardo P. Domingo; Colonel Santiago O. Pitpitan; Colonel Pablo B. Galvez; Colonel Ajerico N. Cagaoan; Captain Eduardo L. Tolentino; Colonel Miguel F. Fontanilla; Colonel Manuel V. Mariano; Colonel Francisco S. Carreon; Colonel Carlos S. Tanega; Colonel Jose S. Ramiscal; Colonel Rafael L. Managot; Colonel Nicasio Custodio; Colonel Nemesio D. Agtay Jr.; Colonel Hermenegildo A. Agaab; Colonel Regino J. Lacson; Colonel Clemente P. Mariano; Colonel Abraham C. Paray; Colonel Renato M. Garcia; Colonel Joel R. Hilot; Colonel Norberto M. Lina. You will note that in this list is a woman, Colonel Edejia R, Mendoza. She stands to be the first woman general of the Armed Forces of the Philippines. [applause]

I reiterate the importance of having our soldiers share a common goal with our people. Our desires to achieve the most stable and progressive society that our people may attain a better life. So with this vision, I ask you to adopt an approach that is agreeable with the rest of the Filipinos. Together civilians and military men will realize the goals of peace and prosperity for the land. You are aware of what the people expect from you, men and women of the Armed Forces of the Philippines. I know that you will never fail them. Long live the Armed Forces of the Philippines and long live democracy. [applause]

Military Officials Laud Appointment

HK2112100190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 21 Dec 90

[By Restie de Quiros]

[Text] High-ranking military officials lauded the appointment of Major General Biazon as General de Villa's successor. They also hailed the promotion of 29 colonels and a navy captain; eleven of them are Philippine Military Academy [PMA] graduates of the Class of 1962. Brigadier General Gerardo Flores, Constabulary chief of staff and a member of the PMA Class of 1962, said the president had chosen someone who is worthy of the post. He added that the newly promoted commanders have already manifested their capabilities to head their subordinates. However, the officials issued mixed interpretations on the president's speech regarding Biazon's tenure. Biazon is due to retire in April because he has already reached the mandatory retirement age of 56. Biazon is a native of Batac, Ilocos Norte and a member of PMA Class of 1961, and since he entered the PMA late, he is older than his classmates. He was born 14 April 1935, served as marine battalion and brigade commander; PMA superintendent after the EDSA [Epifanio delos Santos Avenue]; became Philippine Marines commandant from 23 July 1987 to 7 August 1989; and National Capital Region Defense Command [NCRDC] from January 1988 until now. Biazon was a major figure in the supression of the December 1989 coup when he personally led the defense of Camp Aguinaldo. Defense Under Secretary Eduardo Ermita said no one can stop President Aquino from allowing him to serve [words indistinct] duty as chief of staff.

Other officials interpreted Mrs Aquino's statement as saying that Biazon will only serve as Armed Forces chief until he reaches the retirement age. Rumors suggest Brigadier General Thelmo Cunanan, commander of the 2d Division [as heard] will succeed Biazon at the NCRDC.

Defense Secretary Fidel Ramos said it is just right that Biazon be given honor, but stressed that General de Villa's accomplishments should not be ignored because he initiated the good things the Armed Forces of the Philippines is proud of today.

Biazon To Unify 'Fragmented Military'

HK2112070790 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 21 Dec 90

[By John Susi]

[Text] Senate President Jovito Salonga expressed the hope that the newly appointed chief of staff, Major General Rodolfo Biazon, can unify the entire Armed Forces of the Philippines. Salonga said that although Biazon's loyalty to the Cory administration has been proven during the previous coups d'etat, it is now time to unify the Armed Forces. The senate president said Biazon's appointment may be based on his loyalty to the Consitution and the government during the December coup:

[Begin Salonga recording in English—in progress] ...attempted coup d'etat. I hope he will be a unifying, reconciling factor in our fragmented military establishment. [end recording]

Meanwhile, Senate defense committee chairman Senator Ernesto Maceda said it would have been better had President Aquino nominated a younger candidate from the Philippine Military Academy Class '62 or '63.

For Senate Minority Floor Leader Juan Ponce Enrile's part, he said the appointment of Biazon is the president's decision and she should be solely responsible for the kind of leadership Biazon chooses to undertake. Meanwhile, Enrile did not comment on what kind of a leader Biazon is because he does not know him personally:

[Begin recording in English] [Enrile] It's the choice of the commander in chief and it must be respected. She alone must be responsible for that choice. She will reap the glory and also reap the blame if the person who was designated by her and chosen by her does not perform according to expectations. I do not know General Biazon very well. I have not worked with him and he has not worked with me. So, I cannot judge him.

[Reporter] Don't you have any assessment about the future of the Armed Forces under General Biazon?

[Enrile] Well, I guess I have been out of it for some time now to be able to give a creditable assessment. I'd rather not. [end recording]

Biazon Shrugs Off Reported Rebel Coup Threat

HK2012100190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 Dec 90

[Text] Vice Chief of Staff Major General Rodolfo Biazon shrugged off the rebel soldiers' reported plan to launch another attempt to grab power from the government. Biazon stated this after General Court Martial No. 9 sentenced several military officers and enlisted men involved in the August 1987 coup d'etat. General Biazon said the rebel soldiers' threat is a desperate attempt to advance their wish to overthrow the government. He stressed that the punishment handed down by the military court to the soldiers will deter them from planning another coup attempt.

Group Predicts Aquino Downfall in Six Months

HK2112030590 Manila PHILIPPINES NEWSDAY in English 21 Dec 90 pp 1, 2

[By reporter Ross Manlangit]

[Text] A new nationalist organization led by a former Armed Forces general yesterday predicted the fall within six months of the government of President Aquino.

With the grim prediction, the group's leader said it now becomes necessary for Mrs Aquino to heed calls for a national dialog on the nation's problems and to start considering an alternative council of leaders to take over the reins of government.

The group calls itself Kilusan Para sa Pambansang Kaligtasan [KPK] (Movement for National Survival) and claims membership of at least 35 organizations from a cross section of society.

Its leaders are retired Brig. Gen. Pacifico Lopez de Leon, a member of the Armed Forces of the Philippines general staff during the Marcos regime and Nilo Tayag, a pre-martial law activist who founded the outlawed Kabataang Makabayan (Nationalist Youth).

According to KPK president De Leon, the multi-faceted crisis facing the Aquino government was such that the nation had been rendered moribund economically and politically.

"We expect a change in government in six months," De Leon told reporters yesterday during the group's first press conference held at the Army and Navy Club in Manila.

De Leon and Tayag said the KPK has surfaced as a group that will push through a seven-point "nationalist" program to save the country from disorder, political disunity, and economic collapse.

The program stresses, they said, a nationalist approach in setting up a "Filipinist" economic, social, political, and educational order, free from the clutches of foreign powers and vested groups.

Tayag said the KPK does not believe that the much-awaited electoral exercise in 1992 will be the answer to national problems. The 1992 elections may not even take place, he said.

He said that the KPK will go on a nationwide campaign to propagate its nationalist program at the same time that it pursues its aims for a national consensus or forum that will involve all sectoral organizations whether or not supportive of the Aquino government.

The KPK was organized December 17 in Makati.

Posts of Aquino's Closest Advisers Abolished

HK2112030990 Manila THE MANILA CHRONICLE in English 21 Dec 90 p 1

[By staffmembers Lito Zulueta and Johanna Son]

[Text] Executive Secretary Oscar Orbos, in his first major step to establish his authority, abolished the posts of presidential advisers Vicente Jayme and Jose de Jesus who were considered to be among President Aquino's closest and most influential advisers.

At the same time, Orbos created three task forces to handle contingencies on food, fuel and foreign exchange if an all-out war breaks out in the Persian Gulf, possibly next month.

The abolition of the two posts leaves uncertain the fate of Jayme and De Jesus, the President's financial and human welfare advisers who together with former executive Secretary Catalino Macaraig made up the Presidential Executive Coordinating System (Pecs).

There are indications, however, that the two may be shifted to other positions of influence, given their closeness to the President, a Palace source said. De Jesus has been mentioned as a possible replacement for Public Works Secretary Fiorello Estuar.

Although the Pecs system was established to facilitate the decision-making process in the Palace, it was widely believed to be the President's way of dispersing the vast powers concentrated in Macaraig's office.

Orbos' abolition of the system is seen as an indication that he would like to restore the executive secretary's central authority, aside from showing his bias for hands-on management.

The task forces were created to assist the Energy Operations Board deal with the consequences of a Gulf war. They would be composed of Cabinet members, key government officials and representatives from the education and private sectors.

The National Economic and Development Authority [NEDA], meanwhile, forecast that inflation would reach 16.4% next year and the Gross National Product (GNP) would grow only by 2% as a result of the oil price increases.

Previous estimates put the expected inflation rate for 1991 at 13% to 14%, NEDA deputy director general Ponciano Intal told a Senate body. It now stands at 11%.

Previous estimates of GNP growth, he added, were at 6.5% before the economy took a downswing starting July.

Manglapus on Role of Bases as Gulf Staging Point

HK2112023190 Manila Far East Broadcasting Company in Tagalog 0100 GMT 21 Dec 90

[Text] The United States may possibly use its military bases in the Philippines as staging points in its attack on the Middle East in the event war erupts there. According to Foreign Affairs Secretary Raul Manglapus, the U.S. bases have a critical role in its foreign policies around the world, including the dispatch of troops to Saudi Arabia. Manglapus said the U.S. is not only doing this in the

Philippines, but also in other allied countries in Southeast Asia in order to facilitate the sending of American troops to the Gulf through these territories.

Government Incapable of Bases Management

HK2112064190 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 21 Dec 90

[Text] Defense Secretary Fidel Ramos admitted that the Philippine Government is incapable of immediately managing the six U.S. military facilities in the country. Ramos said this during his talks with the members and officers of the Southern Leyte Peace and Order Council in Sogod, Southern Leyte. He explained that the maintenance of the extensive grounds and golf courses on the military bases alone would consume a huge part of the Armed Forces of the Philippines' budget. In this connection, Secretary Ramos stated he will continue to bat for an orderly phaseout of the six military bases after the Mutual Bases Agreement expires on 16 September so as to also prevent the displacement of over 68,000 Filipino bases workers. He explained that due to budgetary constraints and the present financial deficit the country is facing, it is not yet time for the Philippines to take over these military bases.

Recession Looms if Reform Package Rejected

HK2112063790 Manila THE MANILA CHRONICLE in English 21 Dec 90 pp 1, 4

[By Lito Zulueta and Johanna Son]

[Text] Central Bank Governor Jose Cuisia yesterday warned that failure of Congress to pass the Executive's fiscal reform package by the first week of next month would result in an economic slowdown and eventually a recession.

In a talk with Palace newsmen after briefing President Aquino on the progress of the special session set to end today, Cuisia said the failure to meet the deadline would force the Executive to reset its timetable for the attainment of the P [Philippine Peso] 55-billion cut in the consolidated public-sector deficit projected for next year.

Cuisia's fear seemed justified because the Senate appeared to be able to pass only one urgent bill during the five-day special session.

Last night, the Senate, voting 15-6, agreed to pass the bill increasing forestry charges.

The informal vote was taken in caucus last night to determine the fate of the measure, which would be the only urgent bill passed by the Senate during the special session.

Majority of the senators said they would vote for the measure despite certain reservations.

Senators John Osmena, Ernesto Maceda, Aquilino Pimentel, Wigberto Tanada, and Juan Ponce Enrile were against immediately passing the bill supposed to raise P3.2 billion in revenues annually.

The bill changes taxation on timber from special to ad valorem and increases forestry charges from P30/cu m to 20% of market value.

But the House last night approved three more bills following prolonged deliberations which lasted until late last night.

Approved by the House were the Alien Legalization Act, the Foreign Investment Code and a measure granting tax amnesty to persons repatriating the foreign currencies or securities to the country.

Last Monday, the House approved a bill providing for incentives to individuals and corporations with pending dues with the bureau of customs.

In expressing concern over Congress' failure to meet the early January 1991 deadline, Cuisia said: "If we don't reach an agreement on the revenue measures by the first week of January 1991, the timing will have to be reset. Centainly, this will result in economic slowdown."

"As it is, we are already probably seeing slowdown that will probably accelerate further, and could, of course, result in recession," Cuisia said.

The release of some $706 million in multilateral and commercial loans for balance of payments support and $1 billion for debt restructuring is contingent on the International Monetary Fund's approval of the fiscal stabilization program now under study in Congress.

Lower House Approves Alien Legalization Act

HK1912123790 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 19 Dec 90

[Text] The Lower House has approved in its third and final reading the Alien Legalization Act. The bill, proposed by Congressman Mario Sera, aims to legalize the stay of aliens who came to the country in 1984 by providing them permanent resident status. If passed into law, the Alien Legalization Act is expected to generate an income of $15 billion in the form of legalization fees for the national treasury.

Soldiers Convicted for 1987 Coup Attempt

HK2012043590 Manila PHILIPPINE DAILY INQUIRER in English 20 Dec 90 pp 1, 8

[By Fe B. Zamora]

[Text] A military court yesterday sentenced 81 officers and enlisted men to prison terms ranging from 12 to 32 years for taking part in the failed coup attempt of Aug. 28, 1987.

The seven-man panel sentenced to a total of 32 years at hard labor Capt. Redempto Taiza and eight soldiers from the 62nd Infantry Battalion—12 years for mutiny and 20 for the death of 17 civilians and injuries to several others during a fierce gunbattle between government troops and rebel soldiers led by renegade Lt. Col. Gregorio Honasan at Nagtahan bridge, about 500 meters from Malacanang. Among the wounded was President Aquino's only son, Benigno III.

The 32-year prison terms were the stiffest penalty ever meted out by the courts for coup-related crimes.

The verdict ended the biggest mutiny trial and came amidst fears of a fresh coup attempt.

Sen. Ernesto Maceda, chairman of the Senate defense committee, said rebel soldiers have stepped up recruitment following the steep increase in prices of oil products last Dec. 5.

Maceda said ranking military officials told him the pace of recruitment was similar to the one rebel soldiers undertook before the failed December coup, the seventh and most serious attempt to overthrow the Aquino administration.

Aside from Taiza and the eight soldiers, General Court Martial No. 9 headed by Brig. Gen. Raul Imperial sentenced 34 privates and sergeants, who also took part in the attack on Malacanang, to 20 years at hard labor for multiple murder.

Sentenced to 12 years at hard labor were Lt. Col. Reynaldo Ochosa, commander of the 62nd Infantry Battalion; Lt. Col. Melchor Acosta, commander of the 14th Infantry Battalion; and 30 officers (including Taiza) with ranks from second lieutenant to major. They were found guilty of violating Article of War 96 (conduct unbecoming to an officer and a gentleman). Acosta was Honasan's classmate at the Philippine Military Academy.

Seven other soldiers with ranks from private to sergeant were sentenced to 12 years at hard labor for mutiny.

The military court also ordered the dishonorable discharge and forteiture of salaries and other financial benefits of the convicted officers and men.

In a marathon session that started at 2 p.m. Tuesday and ended at 3 a.m. yesterday, the court also acquitted 11 officers—three of them full colonels—and 11 soldiers.

'A deterrent'

Military authorities hailed the verdict as a "deterrent" to future coup attempts.

"We hope soldiers will now realize that the Armed Forces mean business," said Brig. Gen. Alfredo Filler, Armed Forces deputy chief of staff for intelligence.

But Presidential Spokesman Adolfo Azcuna said the President "may have to act on appeals" from the accused.

The court recommended the filing of charges against other members of the 62nd Infantry Battalion "who appear equally responsible for the death and injuries to 75 people." All are at large.

As Imperial read the verdict, the crowd at the Armed officers Club in Fort Bonifacio made up mostly of wives and relatives of the accused burst into cheers at every acquittal and wailed at every conviction.

Gen. Renato S. de Villa, Armed Forces chief of staff, said the decision of the court was arrived at after proper and thorough deliberation.

"They (military courts) are doing their best according to law and court martial procedures. Whatever decision the court makes, we respect this," De Villa told newsmen.

The wife of an enlisted man went into hysterics after hearing her husband's sentence.

"Hirap na hirap na kami. Mabuli sila mayayaman sila (We're already suffering a lot. They're better off because they're rich)," she cried, apparently referring to her husband's superiors.

Not a few convicted soldiers wept openly when they heard the sentneces passed on them.

The wife of a second lieutenant fainted as other convicted soldiers held hands for a short prayer.

Temporary setback

"This is only a temporary setback," Ochosa said when the session ended. "I have long expected this, but my men were not given fair treatment."

"President Aquino had already judged us a long time ago. The verdict merely confirmed what she had said before: that we are guilty," said Lt. Paul Dario, who drew a 12-year sentence.

"Matindi. [Intense.] It was a grand slam," said Lt. Rolando Cailing, who also drew a 12-year sentence.

"Lutong makaw, [a success or victory through cheating,]" said Air Force Capt. Rogelio Seradoy, who was sentenced to 12 years for mutiny.

A corporal who got 12 years complained that enlisted men received the harshest penalties as he noted that most of those who were meted out 20-year prison terms were soldiers. "Ang pamasko ko, [My Christmas present,] 12 years." he said.

Seradov, who flew Honasan out of Camp Aguinaldo at the height of the coup attempt, led soldiers in mock applause when imperial finished reading the decision.

Convicted

Convicted and sentenced to a total of 32 years each were Capt. Taiza, S/Sgt. Rogelio Pilar, S/Sgt Fidel Alcantara, Sgt. Femando Galvez, Sgt. Ronelo Binaday, Cpl. Cipriano Antipola, Cpl Wilbert Caballero, Cpl. Edilberto Rilloraza and Cpl. Shane Callcja.

Sentenced to 20 years for multiple murder and frustrated multiple murder were Capt. Taisa, Sgt. Pilar, Sgt. Alcantara, Sgt. Gatvez, Sgt Binaday, Cpl. Antipola, Cpl. Caballero, Cpl. Rilloraza, Cpl. Celleja; Pfo de Guzman Pvt. Baylon;

Pvt. Ubal Ubal, Pvt. Dabuct, Pvt. Rolando Obrera, Pvt Armando Tayor, Pvt. Calalan, Pvt. Ramos, Pvt. Dimalanta, Pvt. Padilla, Pvt. Gacho Jr., Pvt. Morete, Pvt. Merchadesh, Pvt. Caaway;

Pvt. Patenio Panuga, Pvt. Luna, Pvt. Gaspang Jr., Pvt. Antonio, Pvt. Mendoza, Pvt. Arazon, Pvt. Marabe, Pvt. Elias, Pvt. Cayog, Pvt. Orbaneja, Pvt. Martinez, Pvt. Mercado, Pvt. Gado, Pvt. Mendoza, Pvt. Gomez, Pvt. Ariza, Pvt. Ponpon, Pvt. Lemense.

Sentenced to 12 years for mutiny and conduct unbecoming to an officer and gentleman were Lt. Col. Melchor Acosta, Lt. Col. Reynaldo Ochosa, Maj. Romeo Ranay, Maj. Rodolfo Lazaro, Maj. Abraham Purruganan (at large), Capt. Rogelio Seradoy, Capt. Reynaldo Ordonez (at large);

Capt Danilo Baguio, Capt. Faustino Dantes, Capt. Rogue Calagui, Capt. Fidel Legiralde, Capt. Dominador Lina, Capt. Felipe Manlapaz, Capt. Daniel Mamaril, Capt. Felipe Muralla, Capt. Roland Detabali, Capt. Redempto Taiza;

Lt. James Joven, Lt. Jorge Joseph Roque, Lt. Rolando Cailing, Lt. Edmundo Malabanjot, Lt. Francisco Atutubo, Lt. Alfredo manabat, Lt. Paul Dario, Lt. Mario Antonio, 2nd Lt. Alerto Guilmayo, 2nd Lt. Romulo Evangelista, 2nd Lt. Julian Mamaril, 2nd Lt. Virgilio Medrano, 2nd Lt. Villamor Belmes, 2nd Lt. Pablo Biglecete and 2nd Lt. Mario Capaycapay.

Sentenced to 12 years for mutiny were T/Sgt Rodolfo Dumaguin, S/Sgt. Edmundo Agustin, S/Sgt Wilfredo Ferrer, S/Sgt Danilo Adrias, Pvt. Florante Ayos, S/Sgt Jaoquin Quibang and Cpl. Ernesto Malabanan.

Army No Longer Sympathetic to Military Rebels

HK2012041990 Manila THE MANILA CHRONICLE in English 20 Dec 90 p 7

[By Manny Mogato]

[Text] Army soldiers are no longer sympathetic to military rebels compared to the few previous years, an informal random survey conducted in December on army battalions showed.

At least 24 infantry battalions from the army's eight infantry divisions nationwide were surveyed to gauge troop morale, leadership of commanders, politico-military awareness and patriotism.

Army chief Maj. Gen. Guillermo Flores said the results of the survey indicated the following: troops believe that the government and top military leaders are taking steps to reform the AFP [Armed Forces of the Philippines], soldiers now oppose coups, the majority will fight rebel soldiers, most of them support civilian authority over the military, commanders enjoy confidence of troops and morale is generally high.

This is the first time a senior military leaders has held an informal survey of troops in the field.

"This is a good indication that the military rebels are losing support from among the soldiers," Flores told reporters.

The results of the survey also indicated changes in military perceptions on their leaders compared to a survey conducted by the Davide fact-finding commission a year ago.

The Davide Commission had noted several military units to be "interventionist." The Flores survey indicated that the government now enjoys "overwhelming support" from the armed forces.

Another indication is the active involvement of military units in neutralizing coup plotters.

MNLF Claims 'Diplomatic Victory' in OIC Bid

HK2012042590 Manila MANILA BULLETIN in English 20 Dec 90 p 15

[Text] The National Moro Liberation Front (MNLF) has claimed a "diplomatic victory," although its attempt to gain full membership in the Organization of Islamic Conference (OIC) had to be postponed during a major meeting in Cairo, Egypt, of foreign ministers from Muslim countries.

Until recently, the outcome of the 19th Islamic Conference of Ministers of Foreign Affairs (ICMF), held July 25 to Aug. 1 in the Egyptian capital, had not been entirely clear, especially with regard to the MNIF's application to be a regular OIC member.

News accounts of widespread destruction in Northern Luzon by the July 16 earthquake and the Aug. 2 invasion of Kuwait by Iraq crowded out the ICMF media coverage from the pages of Manila dailies.

"In a nutshell," says one of the documents just released by MNLF Chairman Nur Misuari, "the 19th ICMF provided a diplomatic victory to the Bangsamoro people to regain their self-determination notwithstanding the million-dollar budget lobby staged by the Philippine government to decive again the OIC and the Muslim

Ummah to ignore altogether the MNLF-launched Bangsamoro people's Jihad fi-Sabilillah in Philipino-occupied Mindanao.

The MNLF, whose status in the OIC has been upgraded from "observer" in 1977 to "sole representative" of the Bangsamoro people in 1984, now aspires to be a full OIC members.

Addressing the Cairo ministerial-level meeting, Misuari asserted that "the MNLF is now making big strides again in consolidating and expanding its liberated areas, including our spectacular movement towards the northern part of our islamic homeland."

Abroad, he added, a number of liberation movements and other organizations now recognize and support Bangsamoro's right to self-determination and independnece.

Misuari postponed the MNLF application for regular OIC membership after the OIC's Quadripartite Ministerial Committee (QMC), composed of Libya, Saudi Arabia, Senegal, and Somalia, and the OIC secretary-general decided to send a top-level fact-finding commission to the Philippines for final verification of the prevailing situation in Bangsamoro.

Balweg Reactivates Cordillera Armed Group

HK1912035890 Manila MANILA BULLETIN in English 19 Dec 90 pp 1, 20

[By Ben Rosario]

[Text] Former renegade priest Conrado Balweg, chairman of Cordillera People's Liberation Army (CPLA), has reportedly reactivated his group of some 1,000 armed men to help maintain peace and order in the Cordillera region.

Balweg's move came in the wake of a Supreme Court [SC] decision declaring null and void a law creating the province of Ifugao as constituting the Cordillera autonomous region.

The High Tribunal also maintained the status quo in the five provinces of the Cordilleras and Baguio City which is to be run by the Cordillera Executive Board and the Cordillera Regional Assembly as provided by Executive order [EO] No. 220 issued by President Aquino.

The ruling stemmed from a petition by local officials of the five provinces seeking the nullification of Republic Act 6861, the results of the plebiscite last Jan. 3 on the autonomous region and other directives of the Department of Justice, Commission on Electrons and then Executive Secretary Catalino Macaraig voiding the effects of EO 220.

As a result of the SC decision, Balweg has reportedly reestablished the CPLA whose members have become "sitting ducks to its rival New People's Army," a top adviser of Balweg told the BULLETIN.

"We continue to hope for the support of the Aquino government in the settlement of issues and problems facing the people of the Cordillera region," Balweg said through his emissary.

Balweg hailed the SC decision because the Constitution requires that the autonomous region must be composed of more than one Constitution requires that the autonomous region must be composed of more than one constituent unit, thus the claim that Ifugao as an autonomous region cannot be held legal despite its having been the only province which ratified the Organic Act of Cordillera in the plebiscite.

Communist Rebels Kill Five in Negros Ambush

HK2012043190 Manila PHILIPPINE DAILY INQUIRER in English 20 Dec 90 p 10

[Text] Communist rebels killed an Army lieutenant and four soldieers in an ambush in Moises Padilla, Negros Occidental the other day, the Army reported yesterday.

Reports reaching Fort Bonifacio identified the slain officer as 2nd Lt. Rommel Galido, son of the late Brig. Gen. Alejandro Galido, former commander of Southern Luzon Command (SOLCOM).

The young Galido was on board a military truck with 15 men from the Special Forces Regiment when rebels ambushed them Tuesday morning, a survivor said.

Army Cpl. Recto Retutar said New People's Army rebels opened fire on a military truck carrying him and 14 other government troops as they were cruising on an isolated part of the highway in Moises Padilla.

Retutar was hit on the leg. He said he could not recall any other details about the incident because he passed out after realizing he was hit.

There was no information on what happened to the rest of those aboard the truck. Moises Padilla is located about 50 kilometers south of Bacolod City, about 530 kilometers southeast of Manila.

Five NPA Rebels Killed in Agusan Del Sur Clash

HK1912034890 Manila MANILA BULLETIN in English 19 Dec 90 p 21

[By Mike Crismundo]

[Text] Prosperidad, Agusan del Sur—Five New People's Army (NPA) rebels were killed and several others were wounded ina clash with combined Constabulary and police forces at Lake Talingtingan, Rosario town, the PC [Philippine Constabulary] reported yesterday.

Lt. Col. Bartolome Baluyot, Agusan del Sur PC-INP [Integrated National Police] provincial commander, also said that Unkad Manduhinog, alias commander Jabar, and four of his men were seriously wounded in separate gun battle in a forested barangay of Bunawan town. Four of his wounded men were captured.

Baluyot reported to Brig. Gen. Hermogenes Peralta Jr. that his troops were securing the two towns and a foreign business firm following information that the NPAs were regrouping at Lake Talingtingan and set to attack other key installations in the area.

Iranian Minister on Gulf Situation, U.S. Ties

HK2112123590 Hong Kong AFP in English 1142 GMT 21 Dec 90

[Text] Manila, Dec 21 (AFP)—War was very likely if Iraq refused to leave Kuwait by January 15, Iranian Deputy Foreign Minister Ala-ed-din Borojerdi said here Friday.

He reiterated Tehran's stand that Iraq's annexation of the emirate was "not tolerable, neither by the world nor by the region."

Iran was trying its "utmost...to prevent the outbreak of hostilities," Mr Borojerdi told a news conference.

He said Iran remained hopeful that Iraq would withdraw from Kuwait before January 15, the deadline set in a United Nations resolution authorising the use of force if Iraq had not withdrawn from Kuwait.

"Otherwise, the breakout of an armed conflict is very probable," Mr Borojerdi said.

He said Tehran, which fought an eight-year war with Iraq which ended in 1988, would not become involved in any armed conflict.

Mr Borojerdi, on the first leg of an Asian tour which will also take him to Singapore and Thailand, pledged his country's commitment to sell oil at concessional terms to Manila, which is one of the countries most affected by the Gulf crisis.

No details of the agreement, expected to be signed later Friday, were announced.

Mr Borojerdi also reiterated that Iran will continue to receive Filipino workers in addition to the 2,000 now in his country.

Philippine Labor Secretary Ruben Torres will visit Tehran at a still unspecified date, he added.

On relations with the United States, Mr Borojerdi ruled out any re-establishment of diplomatic ties soon, saying there had not been any move by Washington to release all Iranian assets in the United States it seized following the toppling of the Shah of Iran.

The United States must "indicate good intention by releasing our assets," he added.

Meanwhile, Philippine Foreign Secretary Raul Manglapus reassured Kuwait on Friday that Manila would back the use of force if peaceful means to solve the Gulf crisis failed, foreign department officials said.

Mr Manglapus made the assurance to a delegation of Kuwaiti businessmen led by Dawood al-Saleh [name as received], chairman of the Hwalli governorate in Kuwait, they added.

Japan's Kaifu To Visit Manila 16-18 Jan

HK2012112590 Manila Radio Veritas in Tagalog 0900 GMT 20 Dec 90

[Text] Japanese Prime Minister Toshiki Kaifu will arrive in Manila on 16 January. Kaifu will stay in the country until 18 January for a three-day visit. It is not known if he will push through with his visit if war erupts in the Middle East. The United States and the Western forces in Saudi Arabia have given Iraq until 15 January to leave Kuwait. Foreign Affairs Secretary Raul Manglapus expressed the hope that Kaifu's visit is an illustration of Japan's support for the Philippines' economic problem.

Talks To Focus on Economic Aid

OW2012083290 Tokyo KYODO in English 0819 GMT 20 Dec 90

[Text] Manila, Dec. 20 KYODO—Japanese Prime Minister Toshiki Kaifu will visit the Philippines on January 16-18 for talks with President Corazon Aquino and senior government officials, Foreign Secretary Raul Manglapus said Thursday.

Manglapus told reporters the talks would focus on Japanese economic assistance to the Philippines.

"I hope we can look forward to Mr. Kaifu reassuring us of continued Japanese support to Philippine economic problems and we in turn will reassure the Japanese (Government) of our support of their own democratic system and their nonmilitary presence in Southeast Asia," he said.

Manglapus said he may brief Kaifu on developments in Philippine-U.S. negotiations on the future of American military facilities here since his visit will come between the last two rounds of bases talks, which are expected to resume in early January.

On Wednesday Japan and the Philippines signed diplomatic notes for a commodity loan amounting to 28.2 billion yen for an earthquake disaster relief and rehabilitation program for several northern Philippine provinces devastated by the July 16 earthquake that left 1,600 dead.

Japan is one of the top foreign investors in the Philippines and the biggest source of official development aid for the Aquino government.

Kuwait Seeks 'Token Force' To Join Against Iraq

HK2112031390 Manila MANILA BULLETIN in English 21 Dec 90 p 8

[By Louie Perez]

[Text] A five-man Kuwaiti delegation asked the government yesterday to send a token military force to join the multi-national force in Saudi Arabia to oust the Iraqis.

Led by Dawood M. Al-Saleh, former Kuwait city mayor, the delegation awaits word from Malacanang whether it can meet with President Aquino to express their gratitude for the recent sending of a medical mission to Saudi Arabia and its support for the UN Security Council resolution against Iraq.

Although a small military force will not make any difference in case war erupts between the Iraqis and the multinational force, Kuwaiti leaders said such show of Philippine support would not be forgotten, they said.

The sending of a token military group also conforms with the world-wide rejection of Iraq's invasion of their small country, they added.

Once rid of the invaders, Kuwait needs many Filipino workers to rebuild it, they said.

Thailand

Chatchai Assigns Work to Deputies, Ministers

BK2112101990 Bangkok Domestic Service in Thai 0530 GMT 21 Dec 90

[Announcement of Prime Minister's Office order on assignments for deputy prime ministers and ministers attached to Prime Minister's Office; dated 21 December]

[Text] Prime Minister General Chatchai Chunhawan has issued an order of the Prime Minister's Office assigning deputy prime ministers to supervise administrations, and to issue orders and perform official duties on behalf of the prime minister for various government sectors and state enterprises as follows:

Bun-ua Prasoetsuwan will supervise the administrations of the Ministry of Science, Technology and Energy, the Ministry of Industry, and the Office of the Permanent Secretary to the Prime Minister's Office, and issue orders and perform official duties on behalf of the prime minister for the Office of the Counter Corruption Commission and the Mass Communications Authority of Thailand.

Chaloemphan Siwikon will supervise the administrations of the Ministry of Foreign Affairs, the Ministry of Agriculture and Cooperatives, the Ministry of Justice, the Ministry of Public Health, and the Department of Technical and Economic Cooperation.

Koson Krairoek will supervise the administrations of the Ministry of Transport and Communications, the State University Bureau, the Office of the National Education Commission, and the National Statistical Office.

General Mana Rattanakoset will supervise the administrations of the Ministry of Education, the National Youth Bureau, and the Zoological Park Organization.

Gen. Athit Kamlang-ek will supervise the administrations of the Office of the Narcotics Control Board, and the Office of the Auditor General of Thailand, and issue orders and perform official duties on behalf of the prime minister for the Secretariat of the National Security Council, and the National Intelligence Office.

On the same order, the prime minister has also authorized Deputy Prime Minister Bun-ua Prasoetsuwan to issue orders and perform official duties on behalf of the prime minister as follows:

To countersign royal commands except the commands concerning the affairs of the Ministry of Defense or concerning significant issues; to sign official letters to president of the House of Representatives, president of the Senate, and president of Parliament to call a meeting or to consult on official matters of the Secretariat of the Cabinet. Information and proposal on issues within the authority of the Cabinet must be submitted to the prime minister through each deputy prime minister assigned in this order. The official matter assigned to deputy prime ministers which is considered very important and may affect public peace and order must be proposed to the prime minister to decide upon and issue an order. The official matter which requires orders to various government sectors or state enterprises but is not under supervision of any specific deputy prime minister must be proposed to the prime minister for final decision and order. Report on the works carried out by each deputy prime minister is to be submitted to the prime minister every 15 days.

The prime minister has also issued an order authorizing ministers attached to the Prime Minister's Office to be able to issue orders and perform official duties on his behalf as follows:

Sa-at Piyawan will issue orders and perform official duties on behalf of the prime minister for the Office of the Permanent Secretary to the Prime Minister's Office, the Office of the Civil Service Commission, and the Zoological Park Organization.

Kon Thappharangsi will issue orders and perform official duties on behalf of the prime minister for the Office of the Board of Investment, the Tourism Authority of Thailand, and the Sports Authority of Thailand.

Gen. Han Linanon will issue orders and perform official duties on behalf of the prime minister for the Department of Public Relations, and the Auditor General of Thailand.

Police Lieutenant General Chamrat Mangkhalarat will issue orders and perform official duties on behalf of the prime minister on the Office of the Juridical Council, the Office of the Narcotics Control Board, and issue orders concerning rules and regulations governing officials of various government agencies.

Sora-at Klinprathum will issue orders and perform official duties on behalf of the prime minister on the Budget

Bureau except on approval of budget allocation, the Office of the National Youth Bureau, and the Department of Technical and Economic Cooperation.

Sawat Khamprakop will issue orders and perform official duties on behalf of the prime minister on the Office of the National Education Commission, the National Statistical Office, and the Electricity Generating Authority of Thailand.

From now on, each minister will submit a summarized report of the works carried out to the prime minister every 15 days.

Banhan Assigns Finance Ministry Responsibilities

BK2012052590 Bangkok THE NATION in English 20 Dec 90 p A2

[Text] Newly-appointed Finance Minister Banhan Sinlapa-acha took a lion's share of power when he announced he would supervise key agencies, including the Bank of Thailand and the Fiscal Policy Office.

Other departments Banhan will oversee are the Bank of Agriculture and Agricultural Cooperatives, the Excise Department, the Tobacco Monopoly of Thailand and the Liquor Organization.

Deputy Finance Minister Suchon Champhunot will take charge of the Revenue and Customs departments, the Government Lottery Office and the Government Housing Bank.

Banhan's other deputy, Chawalit Thanachan, will be responsible for the Comptrollers General and Treasury departments, the Government Savings Bank and Diphya Insurance Co Ltd.

—PM's [Prime Minister's] Office Minsiter Sawat Khamprakop of the Solidarity Party said yesterday he may not accept supervisory responsibilities bestowed on him by Prime Minsiter Chatchai Chunhawan if the agencies given do not suit his ability or benefit the public.

"I'd rather sit idly if I canot do anything worthwhile," he said.

Sawat yesterday went to the Secretariat of the Prime Minister in person to inquire after what responsibilities the prime minister would give him.

Finance Ministry Situation Viewed

BK2112035190 Bangkok THE NATION in English 21 Dec 90 p B1

[Text] Chawalit Thanachanan, former Bank of Thailand governor, has quickly found out that his venturing into the political arena is not as rosy as he thought when he decided to jump on the Chatchai II bandwagon as a deputy finance minister.

In fact, Chawalit has been in a gloomy mood over the past two days, during which he was personally told by Banhan Sinlapa-acha, finance minister, that he would be assigned to look after the sleepy Comptroller General's Department and the Treasury Department, which are two of the most insignificant agencies within the Finance Ministry.

This was contrary to what Chawalit understood from the outset. He presumed that he would be asked to manage the Fiscal Policy Office, which directly supervises the country's fiscal policy and the stock exchange, and the Excise Department, about to embark on a sweeping reform in the collection of tax on cigarettes, liquor, beer and soft drinks.

Banhan tactically reversed his words again because he had promised Chawalit that his role would be essentially that of a coordinator of the Finance Ministry's fiscal policy with the central bank's monetary policy. But, as it turns out, Banhan, for all his scanty knowledge about fiscal or tax affairs, has made it clear that he will be the one who runs the show at the Finance Ministry.

Chawalit appeared to be perplexed with his new role. What he did yesterday was to tour the buildings of the Finance Ministry or remain in his office most of the day, trying to reevaluate his role with the new administration.

A wave of disappointment has hit the central bank again after the officials there believed that the nightmare of a harsh politician taking over the Finance Ministry would not recur, at least this soon. The now Industry Minister, Pramuan Saphawasu, proved to be a bitter pill when he was the finance minister in the Chatchai I administration, running the show as if he were the headmaster of a private school.

The high hope of having Chawalit coordinating the fiscal policy with the central bank's monetary policy has been shot down. As it is known, the country needs prudent management of the fiscal and monetary policies at this crucial juncture than at any time in the past. Inflation is heating up and demand for money has not shown signs of slowing down, from the present growth rate of 34-36 per cent.

Next year the major target for the central bank is to place credit growth under check at 25 per cent to prevent inflation from running out of control. Wichit Supinit, central bank governor, has convened a meeting with his top officials to prepare the broad picture of the economy for the new finance minister. But most of the officials are getting bored on the extent to which their advocated monetary policy will be accepted by Banhan.

On hand for discussions is the interest rate for packing credit, extended to the exporters. There is pressure for the packing credit ceiling to rise from 10 per cent to 11-12 per cent as an incentive to commercial banks to lend more to the exporters through this monetary instrument. The exporters will be buying agricultural products from the farmers in this upcoming season, which will need at least Bt50 billion in money supply.

This is a crucial policy which needs support from the Finance Ministry. In theory, Wichit has all the authority to raise the packing credit ceiling without seeking prior approval from the finance minister. But, by tradition, the finance minister will have to be consulted on any major monetary decision.

Banhan made a public statement when he took over that any monetary policy which affects political stability will have to be decided by him. And, it is likely that Banhan will interfere in any decisions surrounding this immediate measure to bring up the packing credit.

Most senior officials of the central bank deliberately walked away when asked about the prospect of Chawalit helping to bridge any differences of opinion that might arise between the Finance Ministry and the central bank. In just two days, Banhan has proved that he is capable of playing around with his words skillfully. Then he said: "I was the one who persuaded Chawalit to join the team because I believe in his ability and expertise."

But circumstances have shown that Chawalit is merely a pawn brought into the Chatchai II government just to make the government look good. If that is the case, Chawalit has made a big mistake in accepting the deputy finance portfolio in an unpredictable situation.

Banhan Makes Policy Statement

BK2012023790 Bangkok BANGKOK POST in English 20 Dec 90 pp 17, 28

[Text] Finance Minister Banhan Sinlapa-acha in his first policy statement, yesterday pledged to give the central bank full independence on monetary policy management.

He also promised to build up his own image through prudent monetary and fiscal policies to create confidence among foreign investors so they continue to boost investment in Thailand.

Mr Banhan and his two deputies in the Chatchai II Government, Suchon Champunot and Chawalit Thanachanan, yesterday officially took office and the minister gave his first policy statement to the Press after meeting senior ministry officials ranging from permanent secretaries to deputy directors general.

In his statement, Mr Banhan said in applying fiscal policy he will stress revenue collection through effective tax methods.

He cannot say yet when the Value Added Tax (VAT) system will be implemented to replace business tax as there are still a few problems to be solved.

"Obviously, when the VAT Bill was sent to the Cabinet last time, there was still a problem of public understanding and whether or not the VAT would cover all kinds of goods."

Where expenditure is concerned, he will try to make budget allocations quicker and more systematic.

He said agencies normally received budget funds when the end of the fiscal year is close, which could cause a tight money situation.

He generally agrees on money policy with former Finace Minister Dr Wiraphong Ramangkun who increased the bank lending rate ceiling from 16.5 percent to 19 percent.

"That certainly will help contain inflation and maintain economic stability.

"The measure will prevent inflation this year from surging to more than 7 percent.

Mr Banhan said he will give the central bank a free hand in managing monetary policy.

"The central bank will have independence in handling monetary policy. Deputy Finance Minister Chawalit will be the person who works and decides jointly with the central bank on some matters.

"I gave him this assignment because Chawalit is an expert in this area and I invited him to join this government," Mr Banhan said.

Asked about hs own public image, Mr Banhan said he knows fiscal and monetary policies can affect international confidence and foreign investment.

"Give me more time and I will build up an image and investors' confidence.

"Now you see that I have changed my normal dress from Safari to a suit," he said jokingly.

He said he does not believe in strict control of banking.

"I believe in moral suasion but that depends largely also on the behaviour or response of the banking industry itself."

On the opening of more foreign bank branches, Mr Banhan said he cannot say anything now as he needs to consult those involved first.

He said he will work as a team with existing staff of the ministry.

"I will not find any outsiders to work for the at the ministry as the ministry already has sufficient experts."

Asked about the possibility of increasing civil servants' salaries by switching pay structures, he said that has yet to be decided. The ministry has not set aside funds for such an increase in the 1991 fiscal year.

"If it has to be increased, we have to look at a possible source of funds as I am not the type of minister who will just use Treasury reserves to pay for it."

He said he is also against the Commerce Ministry's earlier plan to use Treasury reserves to subsidise rice price. However, the Bank for Agriculture and Agricultural Cooperatives (BAAC) will continue to act as an agency to help farmers.

Funds will be allocated for the BAAC in case it sustains a loss arising from concessional loans to farmers.

Mr Banhan said he will continue to support development of the capital market, including the Securities Exchange of Thailand (SET).

He supports the previous minister's move to extend 0.1 percent tax exemption on stock trading for another three years. The proposed exemption has been sent to the Cabinet for approval but has not yet been considered.

"If the extension is not made in time, it will be made retroactive."

But Mr Banhan said the ministry will maintain the travel exit tax.

Daily Comments on New Foreign Minister's Policy

BK2012152190 Bangkok SIAM RAT in Thai
20 Dec 90 p 8

[Editorial: "The Chatchai II Government's Foreign Policy"]

[Text] The newly-appointed foreign minister of the Chatchai II government has unofficially announced his foreign policy although the government has not yet announced a policy statement to the National Assembly.

Athit Urairat told newspaper correspondents that he would visit neighboring countries, epecially the Indochinese countries of Laos, Vietnam, and Cambodia, which is under the administration of the Vietnamese-backed Phnom Penh Government, earlier next year.

The foreign minister said that the Thai foreign policy in this regard will be neutrality and will be based on opinions from various sides, not from any particular party or group of persons. Due to the principles of neutrality, contacts with other countries will not be based on any ideology or administrative system.

The modification of the foreign policy in this manner is tantamount to using economics before politics in dealing with neighboring countries. This will be appropriate since Thailand is enjoying economic progress and needs to adjust its strategy, like the remarks on changing the Indochinese battlefield into a marketplace given by the prime minister when the Chatchai I Government was formed.

However, we are of the opinion that special caution should be used in implementing the policy of "neutrality" toward Cambodia where conflicts among Khmer factions still exist due to external support. Although we will not get involved in the internal affairs of Cambodia, the foreign minister's visit to Phnom Penh whose government is still not recognized by Thailand will constitute an off-side act because it could impact on the bargaining position of the Khmer factions. So, the visit should be thoroughly considered.

Meanwhile, Athit did not clarify the policy toward Burma during his interview with the press.

Burma is ruled by a military dictatorship, which has been criticized by foreign countries for violating human rights, creating a reign of terror inside the country, and depriving it of a democratic government. The Thai Government has provided conveniences only to some particular groups who stand to benefit in Burma by taking advantage of the dictatorial government.

We are of the opinion that we should review our policy toward Burma. At least we should take into account the plight of the Burmese people in terms of human rights and economy because it also has effects on Thailand. This way, Thailand will not be seen as an opportunist which is seeking benefits by taking advantage of a hated government.

Minister Urges Cambodian Groups To End Quarrels

BK2012135190 Bangkok Voice of Free Asia in Thai
1030 GMT 20 Dec 90

[Text] At the Information Center of the Foreign Ministry's Information Department at about 1330 today, Foreign Minister Dr. Athit Urairat briefed reporters about the Thai government's policy toward its neighbors. Dr. Athit said the following regarding the Cambodian problem:

[Begin recording] All of us already knew that there would be a meeting in Paris in a few days on the Cambodian problem. I wish to briefly review this issue, as most reporters are already well informed about it.

Vietnam began to show a more flexible stand and announced the withdrawal of its soldiers from Cambodia. The international community continued from there to try to restore peace by organizing the PICC [Paris International Conference on Cambodia] to concentrate on a comprehensive and peaceful political solution to the Cambodian problem. The five permanent members of the UN Security Council also agreed to draft a document on the resolution of the Cambodian problem.

That was how the process transpired. The framework for a settlement of the Cambodian problem in accordance with the abovementioned document is aimed at ending the war in Cambodia and conducting a free and fair election under supervision of the UN civilian and military forces. This document can be regarded as a foundation for a rather complete framework for settlement of the problem and it is acceptable to every party. This document corresponds with the objective of Thailand's policy, that is it will enable verification of withdrawal of

Vietnamese soldiers, create a cease-fire, disarm the various Cambodian factions, and allow self-determination by the Cambodian people. For this reason, Thailand supports the document and urges every Cambodian faction to use this best opportunity to cooperate and restore long-awaited peace in Cambodia as soon as possible. Thailand also appeals to leaders of the Cambodian factions to narrow their differences, end their disenchantment and quarrels over minor issues, and turn to cooperate with each other on a genuinely major issue which is peace, national reconciliation, and the right to self determination of the Cambodian people, as noted in the document on framework for peace.

Thailand feels that once peace is restored in Cambodia, the battlefield will turn into a marketplace, benefitting the people and countries in this region as a whole. Once an agreement is reached, prosperity will follow. Moreover, Vietnam, Laos, and Cambodia will become better neighbors of Thailand and other ASEAN countries, which in turn will benefit this region as a whole.

Therefore, I wish to declare Thailand's supportive stand. I can say also that once an agreement is reached, Thailand is ready to support our neighboring countries with economic, social, and other forms of assistance to enhance peace and happiness in the region, as well as greater happiness of the Thai people. [end recording]

Comments on Cambodia, ASEAN, Mideast

BK2112021590 Bangkok THE NATION in English 21 Dec 90 p A3

[Excerpts] Newly-appointed Foreign Minister Athit Urairat yesterday pledged closer ties with ASEAN countries and at the same time to look beyond "old friends" and establish contact with countries outside the region.

Athit told a press conference yesterday that Thai foreign policy would be to "make friends" with as many countries as possible. He was referring to countries in Africa, Latin America, and Eastern Europe.

Athit said he would pay the traditional visit to ASEAN countries after Parliament opens its special session on Jan 4.

Meanwhile, the ambassadors of Indonesia, the Philippines and Singapore paid a courtesy call on Athit at the ministry.

In response to a question by a reporter on whether Thailand was ready to change its policy towards Vietnam and the Phnom Penh government in Cambodia, the new minister said Thailand was ready to step up contact with Hanoi and Phnom Penh.

He added that policy on the Cambodian problem would change in line with the present world order but the pace would be gradual. However he stressed Thailand would maintain strict neutrality in regards to the Cambodian factions. [passage omitted]

He was optimistic that there was a chance for success in the longstanding conflict in coming talks and urged the Cambodians to take the opportunity to eliminate mutual mistrust.

Athit also expressed concern about the safety of Thai workers in the Middle East, especially in Saudi Arabia, where 130,000 Thais are working. He said he planned visit workers in Saudi Arabia very soon to boost their morale.

Prime Minister's Advisers Meet With Hun Sen

BK2112013990 Bangkok BANGKOK POST in English 21 Dec 90 p 1

[Text] Cambodian Prime Minister Hun Sen said last night he would only ratify those parts of the UN peace plan on Cambodia that do not jeopardize Cambodian sovereignty.

Mr Hun Sen and the other five members of the Supreme National Council [SNC] representing the Phnom Penh regime, and their families, stopped in Bangkok last night en route to Paris for the SNC meeting scheduled for today.

The Cambodian delegation held private discussions with Prime Minister's advisers Phansak Winyarat and Kraisak Chunhawan for about an hour at Don Muang Airport.

Speaking to reporters after the meeting, Premier Hun Sen reaffirmed his government's stand on the peace plan put together by the five permanent members of the UN Security Council, which envisages UN administration of key ministries in Cambodia during a ceasefire and organisation of national elections.

He said the plan is acceptable as far as it does not threaten Cambodian sovereignty and the UN charter, but he pointed out that it does not contain any measures to prevent the return to power of the Khmer Rouge.

In Paris, an aide to Prince Sihanouk said yesterday the two non-communist groups headed by Son Sann and the Prince himself were in complete accord with the Khmer Rouge and would "back the plan in its entirity".

Kraisak, meanwhile, said Prime Minister Chatchai Chunhawan was pleased that Hun Sen will attend the Paris meeting and offered Bangkok as the venue for the next peace talks.

However, he said it would depend on the outcome of the Paris meeting.

The adviser, who is the Premier's son, said that Hun Sen had proposed Bangkok as the venue of the SNC meeting, but the two co-chairmen of the Paris International Conference, France and Indonesia, wanted the meeting held in Paris.

Kraisak did not know if the Paris meeting was being held as part of the Paris International Conference or as an SNC meeting, because some SNC members were still in Bangkok yesterday.

World Body To Help Evacuate Thais From Mideast

BK2012053190 Bangkok THE NATION in English 20 Dec 90 p A3

[By Thana Phuphat]

[Text] The International Organization for Migration (IOM) is prepared to help Thailand arrange for evacuation of more than 100,000 Thai workers from Middle East countries if war becomes imminent in the region.

IOM Regional Representative Richard Kocher said yesterday he had formally accepted the request by the Interior Ministry for assistance in case a mass evacuation is necessary.

"We are assessing the situation (in the Middle East) to find out what we can do to help," he said.

Kocher said he was briefed by Deputy Permanent Secretary for Interior about the Thai Government's plan to move Thai workers out of dangerous areas during their meeting on Tuesday.

The cost of bringing home Thai workers from the Middle East was estimated at about US$600 (or about Bt15,000) per head, he said.

IOM is an inter-governmental organization specializing in transporting refugees and migrants for resettlement and repatriation worldwide.

About 150,000 workers have returned to countries of origin in Sri Lanka, Bangladesh, Pakistan, Vietnam, the Philippines and Sudan under the IOM-coordinated evacuation airlifts during the past three months, according to Kocher.

Under the IOM's arrangement, the returnees, most of them workers formerly employed in Kuwait and Iraq, have been transited through Jordan, Turkey, Iran and Iraq on their way home.

The IOM's Gulf emergency programme was made possible by the contributions of the governments of Japan, Germany, the United States, Sweden, Canada and the European Community, among others, which have collectively raised more than US$74 million (or about Bt1.8 billion) for the evacuation.

At present, there are about 130,00 Thai workers in Saudi Arabia, 3,000 in the United Arab Emirates, 2,500 in Bahrain, 2,000 in Israel, 370 in Iraq and 40 in Kuwait.

Thai officials from the Labour Department, the Foreign Ministry and the military are planning to evacuate the Thai workers from the Middle East.

Iraq, which seized and later annexed Kuwait in August, is under the United Nations order to leave the emirate by Jan 15 or face a U.S.-led multinational force based in Saudi Arabia to drive it out.

Aviation Talks With U.S. Analyzed

BK2012020790 Bangkok BANGKOK POST in English 20 Dec 90 p 19

["Analysis": "Thai-U.S. aviation negotiations leave future up in the air"]

[Text] For several weeks now, Thai and US aviation authorities have been waging a war of words in the local press. Both sides have accused each other of foul play and there are wide divergencies in how the two perceive their aviation relationship. Unless these differences are solved and the authorities adopt a more conciliatory approach, the relationship can only become more turbulent.

"We do not want to quarrel with the US. On the contrary, we both should put our heads together (to resolve the differences)," said the Transport and Communications Ministry's deputy permanent secretary, Mahidon Chanthrangkun, the man who has been responsible for the Thai-US aviation talks.

The wide gap between the two sides on what they perceive as "benefits" shot down the final round of negotiations in Washington early last month, and this subsequently resulted in the abrogation of the bilateral aviation agreement.

The US wanted to retain the "open sky" principle in the old agreement by trying to negotiate amendments, whereas Thailand wanted to scrap this approach and replace it with the "capacity predetermination" principle.

In subsequent press statements, the US has tried to drive home the point that the open-sky approach which allowed US carriers to freely incease their passenger and cargo services to Thailand was benefitting this country's tourism and trade.

Thailand has responded by saying it might have gained something but, by "dumping" capacity, American airlines were also reaping enormous gains from the lucrative Northeast Asian stopover points of Tokyo, Taipei and Seoul—at the expense of Thai Airways International [THAI].

The main focus of the conflict has had little to do with the traffic passing through either the United States or Thailand; it has centred on the big difference in the capacities operated by the two couintries' airlines through the high-yield transit points.

Washington claims the increase in US capacity was in response to market demand, but the Thai Aviation

Department claims the more powerful and better-equipped US carriers are dumping capacity and trying to dominate the market.

The first serious fallout from the November 2 abrogation of the air pact was Thailand's unilateral declaration that it would reduce the number of US passenger and cargo flights from 34-35 per week to 28 (made up of 21 passenger and seven cargo flights) when the current "winter" season ends next March.

To demonstrate it is serious in staking a larger claim to the lucrative Tokyo-Taipei-Seoul business, the Transport and Communicatons Ministry last week announced a massive increase in passenger and cargo capacities to be operated by THAI on these routes starting next April, coinciding with the cutback in US flights.

It is probably too early to tell whether THAI can regain its market share or what adverse repercussions will result from the cutback in US flights, but these changes are likely to put the Thai-US aviation relationship under severe stress.

This makes it all the more necessary for both sides to re-think their positions and approach each other with a more conciliatory attitude when the next round of talks is convened. It will obviously be of interest to both parties to hammer out a new and mutually-beneficial pact rather than allow the matter to drift directionless as it is at present.

The Thai desire to do away with what it perceives as unfair treatment is not new though. An official position paper summarising the chronological background of the entire episode states that Thailand entered into the recently lapsed agreement in 1979 partly because of THAI's enthusiasm at the time to open a new route to Seattle via Tokyo.

The agreement essentially embraced the open-sky principle, but there were restrictions on the number of flights THAI could operate to Seattle via Tokyo. The world oil crisis at the time and congestion at Tokyo airport were cited by the US side as reasons justifying the restrictions.

Mr Mahidon, who was assigned the task of heading the Thai negotiating team in 1988, said the Thai side had tried to get the US to lift the restrictions at various times over the past decade because it thought them unfair, but it had been unsuccessful.

"The refusal by the US side to lift the restrictions went against the very spirit of the bilateral agreement which provided for airlines from both countries to have fair and equal opportunities in competition," the position paper said.

This perception of unfair treatment prompted the Thai Cabinet in March 1989 to authorise the Thai negotiators to abrogate the agreement and negotiate a new pact "if it was necessary for the Thai side to protect its national interests".

The position paper said there were two rounds of negotiations after the Cabinet decision, but both ended inconclusively. Among the conditions raised by Washington and rejected by the Thais was a gradual phasing out of the via-Tokyo restriction over seven years, permission for US carriers to operate ground-handling services at Bangkok using tax-exempted equipment and the free operation of a computerised reservations system (CRS).

In the end, the Thai side notified the US Embassy in Bangkok in October 1989 saying it intended to terminate the bilateral pact. This was to take effect one year later or last month.

The rapid increase in the US carriers' capacity following the Thai termination notice became another point of serious contention. At the time of the Thai notification, which coincided with the start of the 1989/90 winter season, the American carriers were operating a combined 22 flights per week (including 17 passenger and five cargo flights), or slightly less than the combined 24 flights during the 1989 summer season.

Aviation Department records show the combined number of US flights jumped to 37 during the summer season this year before easing to 34-35 flights per week when the pact was abrogated early last month.

The US claims the sharp increase was in response to growing market demand in both tourism and trade, but Thai officials say it was a deliberate attempt by the US carriers to "dump" capacity in order to raise their bargaining power in the leadup to the cancellation of the pact.

Thai officials accept the US argument that the increased number of US flights has benefittted the Thai economy in some ways, but they beleive the benefits are limited.

Aviation Department deputy director-general Rungrot Siprasoetsuk said both THAI and the US carriers carry only a small proportion of the American tourists and businessmen who visit Thailand.

The amouunt of cargo appears to be less significant. Mr Rungrot said only 3.3 percent of Thai exports to the US by air was accounted for by the US carriers. The rest was handled by other airlines such as Air France, Lufthansa and Korean Airlines. Part of the reason for this is the reported preference among US carriers to pick up higher-yield cargoes in Tokyo.

The Thai position paper also highlighted the negative effect of the increase in US flights on Thai operations.

It said THAI used to be the top carrier on the Bangkok-Tokyo route with 43.8 percent of the market in 1986. It later dropped to third place in 1989/90 with a market share of 28 percent or about the same as that of the Japanese carriers.

Meanwhile, the US carriers enjoyed a rapid jump in their market share to 37 percent putting them in the top slot.

The rapid increase in the US capacity clearly alarmed Thai negotiators who feared the US carriers may dominate the Northeast Asian routes if the trend was allowed to continue.

Mr Mahidon said this alarm prompted the Thai side to raise the "capacity predetermination" principle during negotiations in Washington in June this year—on top of the previous demand for an unconditional lifting of the via-Tokyo restriction.

A communication breakdown between the Thai and US negotiators over how predetermination should be resolved apparently constituted the final straw in precipitating the collapse of the talks in Washington last month.

The US thought it was giving in to everything the Thais wanted—including a new clause which would have allowed the Thai Government to freeze the curent number of US flights and predetermine any future increases.

In its desire to retain the open-sky principle by extending the old agreement, Washington also proposed that Thailand withdraw its termination notice posted a year ago.

But the Thai side wanted predetermination from zero and, in effect, counter-proposed a new draft along the modality used by the International Civil Aviation Organisation (ICAO). This would have entailed changes from the very beginning, something unacceptable to the Americans. The rest became history.

But what about concerns in various quarters that any cutback in the number of US flights would adversely affect Thai tourism and exports of time-sensitive products such as electronic spare parts and integrated circuits?

Both Mr Mahidon and Mr Rungrot believed both passengers and cargoes will not simply disappear since other carriers will step in to fill the demand.

It was with this rationale that the ministry announced the massive increase in the passenger and cargo capacities to be operated by THAI—plus additional capacities to be supplemented by other regional carriers—beginning next April. Only time will tell whether the latest Thai strategy will work.

Trade Volume With USSR Increases 'Every Year'

BK2012150190 Bangkok Voice of Free Asia in Thai 1030 GMT 20 Dec 90

[Text] Speaking at the seminar on Thai-Soviet trade potentials, Phongthian Phayakkhanithi, deputy director of the Export Promotion Department, said the Soviet Union currently maintains trade ties with about 145 countries and has about 1,351,000 million [figure as heard] rubles in combined trade volume. Socialist countries are the Soviet Union's major trading partners. Machinery, transport equipment, food, and industrial raw materials are major imports of the Soviet Union.

Phongthian said the Soviet economic reforms, or perestroyka, encourage decentralized economic planning, relaxed restrictions on joint investment in foreign countries, discontinued trade monopoly by state agencies, and lower import tariffs. He noted that the Thai-Soviet trade volume has increased every year. In 1988, Thai exports to the Soviet Union totaled 1.540 billion baht, while the 1989 exports amounted to 6.819 billion baht. Major Thai exports were rice, sugar, tapioca, and clothes.

Phongthian says to expand bilateral trade, the commerce ministry plans to set up a commercial counselor office in Moscow next year. On 2 January he will travel to the Soviet Union to supply information on Thai products which are available for export. The Soviet Union has informed him that it is looking for a site for the counselor office.

Vietnam

Hanoi Reports on Shevardnadze's Resignation

BK2112094590 Hanoi Domestic Service in Vietnamese 0500 GMT 21 Dec 90

[Text] President Gorbachev has met Foreign Minister Shevardnadze immediately after his resignation and has asked him to remain in this position until the Supreme Soviet accepts his resignation.

Also connected with Minister Shevardnadze's resignation, the Fourth Congress of the Soviet People's Deputies on the afternoon of 20 December passed a decision assuring no changes in the Soviet Union's foreign policy with 1,540 votes for, 52 against, and 111 abstentions.

In a news conference held on the afternoon of 20 December, (Chuki), a representative of the Soviet Foreign Ministry, said that Minister Shevardnadze's decision is final. The chairman of the Supreme Soviet's Council of Nationalities told a TASS correspondent that this is an unexpected thing. Two vice foreign ministers, Kovalev and Petrovskiy, said that this resignation had not been done in consultation with the Personnel Section of the Soviet Foreign Ministry.

According to TASS, although the spokesman for the Soviet Foreign Ministry said that Minister Shevardnadze's decision is final, his resignation would certainly not be approved. President Gorbachev and the Supreme Soviet would not approve this. Rafik Nishanov, chairman of the Supreme Soviet's Council of Nationalities, said that the current political situation in the Soviet Union as well as in the world as a whole does not allow the approval of minister Shevardnadze's resignation.

At the capitals of several Western countries, many people expressed regret over the Soviet foreign minister's resignation. U.S. Secretary of State Baker said that had it not been for Mr. Shevardnadze, there would not have been any changes in Europe. French Foreign Minister Dumas said that what happened yesterday serves as a warning to those who are dragging their feet over aid for the Soviet Union. The British foreign secretary said that he hopes that the reform in the Soviet Union will continue. Meanwhile, FRG Chancellor Helmut Kohl expressed his hope that President Gorbachev would keep Minister Shevardnadze in his position. German Foreign Minister Genscher said that Foreign Minister Shevardnadze's resignation came as a surpise to the whole world. He hailed Shevardnadze's great contributions toward achieving unification in Europe and Germany.

Government 'Concerned'

BK2112061290 Hong Kong AFP in English 0604 GMT 21 Dec 90

[Text] Hanoi, Dec 22 (AFP)—Vietnam said Friday it was "concerned" at the surprise resignation of Soviet Foreign Minister Eduard Shevardnadze.

A Foreign Ministry official said the Soviet Union was going through an "extremely difficult and complex period."

"We hope that the Soviet leaders and people can overcome the tests and bring the country out of the current crisis and continue to develop in a stable manner," he said.

Mr. Shevardnadze told a stunned Soviet parliament Thursday that he was resigning because he had been hounded by reactionaries and at the same time warned that the Soviet Union faced a dictatorship.

Moscow is a major sponsor of the government here but it will cut back aid to Vietnam from next year and expect Hanoi to pay for Soviet imports in foreign exchange.

U.S., SRV Conduct 12th Search for MIA's

BK2012153490 Hanoi VNA in English 1503 GMT 20 Dec 90

[Text] Hanoi VNA December 20—From 28 November to 19 December 1990, Vietnamese and U.S. specialists conducted their 12th joint search for Americans reported missing in action in the Vietnam war.

During the same period, Vietnamese and U.S. forensic experts conducted the identification in Ho Chi Minh City of a number of American servicemen's remains collected in previous unilateral searches by Vietnam.

The U.S. experts highly appreciated the cooperation and effective assistance from the authorities and people in the site areas.

They left Hanoi on December 19.

Prime Minister 'Rules Out' Multiparty System

BK2112020190 Bangkok THE NATION in English 21 Dec 90 p A2

[Report on interview with Prime Minister Do Muoi by Suthichai Yun in Hanoi on 17 December—"Second of Exclusive Series": "Vietnam at Crossroads"]

[Text] Vietnamese Prime Minister Do Muoi, while admitting Vietnam is in search of a new political "model," has ruled out the possibility of a multi-party system being adopted in his country.

Political reforms will be tolerated only within the framework of the Communist Party of Vietnam, he indicated. But Do Muoi conceded there are "a number of people" in Vietnam who want to introduce political pluralism.

Speaking to THE NATION in an interview at the Presidential Palace on Tuesday, Do Muoi said a multiparty system will only cause "confusion" and "suffering" on the people.

"The people understand very well that if we have a multi-party system now, it can lead to confusion and suffering for them," said the 73-year-old prime minister whose political views are in great contrast to his support for greater economic liberalization in Vietnam.

The Vietnamese Communist Party, which has been in power for over 40 years, has rejected all demands for political reforms in impoverished Vietnam despite the introduction of economic reform since 1986. Vietnamese authorities have in the past several months cracked down on political activities considered to be anti-state.

Do Muoi said the current National Assembly, which precedes the party congress in May, is also discussing future political directions of the country. "Many friends have asked me whether we will have political reform. I said yes. But we have to take into consideration what model to take," he said in the interview.

He said the "old socialism" has its advantages and disadvantages and so does capitalism.

"Now the question is: What's the best model for Vietnam," he said.

While claiming that the communist leadership supports "democratization" of the country, Do Muoi made it clear that political pluralism will not be tolerated.

Do Muoi said the Communist Party was the force which ensured political stability, guiding the country through 15 years of economic dificulties.

"I can say that the absolute majority of the Vietnamese people do not want the multi-party system or pluralism. They want the Communist Party to lead them," he said.

Though many Vietnamese intellectuals have increasingly questioned the ability of the Communist Party to continue leading the country in the light of the collapse of communism in Eastern Europe, few expect any loosening of the party's political control in the near future.

One of Do Muoi's deputies, Vo Van Kiet, officially acknowledged for the first time early this month that certain quarters of Vietnamese population wanted political change. But he made it clear the communist leadership was not ready to submit to their demand.

Addressing the opening of the current Vietnamese National Assembly, Kiet said Vietnamese leadership refused to cede to "impatient demands by a part of the population and cadres for imnmediate change."

In a separate interview with THE NATION, a senior Vietnamese official with close connections to the Communist Party leadership, said he sees no drastic political change in the future that might lead to political pluralism in Vietnam.

"I don't expect what has happened in Eastern Europe to repeat itself in Vietnam," said the official who is also one of the country's best-known economic experts.

He said unlike Eastern Europe, more than 80 per cent of the Vietnamese population are farmers whose living standard has improved in the past few years as a result of the economic reform.

Further on National Assembly Proceedings

20 Dec Meeting Reported

BK2112054190 Hanoi Domestic Service in Vietnamese 1100 GMT 20 Dec 90

[Report by correspondent Truong Cong Hoa]

[Summary] "This morning, the National Assembly continued its plenary meeting at the Ba Dinh Conference Hall in Hanoi under the direction of National Assembly Chairman Le Quang Dao."

"In the morning, the National Assembly heard some members of the Council of Ministers answer questions raised by a number of deputies."

Minister of Finance Hoang Quy continued to answer 20 questions about taxes and causes leading to tax collection shortfall. According to Minister Hoang Quy, the trade and industrial tax collection shortfall can be traced back to the revenue service's failure to adopt timely and effective measures against tax dodgers as well as to the misappropriation of funds by some tax officials. The minister then suggested some measures aimed at overcoming this unhealthy situation.

Next, Tran Dinh Hoan, minister of labor, war invalids, and social welfare, answered 10 questions raised by some deputies concerning wage payments for government employees and the settlement of unemployment problems facing the laboring people. Minister Tran Dinh Hoan then submitted three different ways to secure wage payments for workers at present.

Minister of Commerce Hoang Minh Thang answered some questions from National Assembly deputies about the distribution of export quotas for 1990, the collection of import-export taxes, the namelist of state agencies subjected to administrative measures due to their involvement in recent smuggling activities, and current sugar prices.

State General Inspector Nguyen Ky Cam answered some questions from National Assembly deputies about anti-corruption results, measures against irregularities at the National Reserves Department, and disciplinary action against former Deputy Minister of Forestry Than Trung Hieu.

Minister of Energy Vu Ngoc Hai answered questions about electricity prices and the construction of a Ministry of Energy guesthouse.

Some 20 National Assembly deputies continued to raise questions because they were not satisfied with the answers provided by some members of the Council of Ministers. For example, most of the deputies termed the three wage payment arrangements suggested by the minister of labor, war invalids, and social welfare as impractical and scientifically unfounded. Also, they did not agree with the electricity prices suggested by the minister of energy as well as with the latter's proposal to use public funds to build a Ministry of Energy guesthouse.

This afternoon and evening, the deputies will continue their group discussions to reach unanimous positions on a number of important resolutions to be made public by the National Assembly.

"Tomorrow morning, the National Assembly will hold a plenary session at the conference hall."

Communique No. 10 Issued

BK2012145890 Hanoi Domestic Service in Vietnamese 1430 GMT 20 Dec 90

[Communique No. 10 of the Eighth National Assembly's eighth session]

[Text] On the morning of 20 December 1990, the National Assembly held a plenary meeting at the conference hall under the direction of its Chairman Le Quang Dao.

The National Assembly continued to hear answers by some members of the Council of Ministers to questions raised by various National Assembly deputies. The members of the Council of Ministers concerned included Comrade Hoang Quy, minister of finance; Comrade Tran Dinh Hoan, minister of labor, war invalids, and social welfare; Comrade Hoang Minh Thang, minister of industry; Comrade Nguyen Ky Cam, state general inspector; and Comrade Vu Ngoc Hai, minister of energy.

Next, 18 deputies expressed their views concerning the answers to various questions. They also pointed out some issues that should be explained more clearly by some members of the Council of Ministers.

In the afternoon, National Assembly deputies worked in groups. On 21 December 1990, the National Assembly will work at the conference hall.

Deputies Discuss Economic Plan

BK2112040090 Hanoi VNA in English 1441 GMT 20 Dec 90

[Text] Hanoi VNA Dec 20—The Vietnamese National Assembly unanimously noted that 1991 will be a year full of difficulties though it will inherit some noticeable successes in renovation.

This 8th session which focuses on the 1991 economic plan has heatedly discussed the targets and measures put forth by the Council of Ministers aimed at solving the most urgent socioeconomic issues to maintain the stability gained in 1990 and create an impetus for the implementtion of the 1991-1995 plan.

In his report, Vo Van Kiet, vice chairman of the Council of Ministers, while affirming the gains made over the past three years since the wide-ranging application of the policy of renovation in the economy, pointed to the remaining issues and new difficulties caused by the shift from the mechanism based on state subsidisation to the mechanism of cost-profit accounting. The plan proposes a modest programme to ensure an increase of 4.3 percent of the gross national product and 4.5 percent of the national income with the aim of maintaining stability in 1991 at a time when many favourable conditions of 1990 will have decreased drastically or disappeared.

For example, the goods exchanges with the Soviet Union and East European countries at preferential rate have decreased and will continue to decrease.

Nevertheless, many deputies remain skeptical about the feasibility of the plan, basing themselves on negative data such as the scantiness of capital and small reserve of foreign exchange, the weaknesses in running the banks, the difficulty in purchasing materials and equipment from foreign countries, the increase of unemployment while a large number of armymen will demobilize and tens of thousands of contract labourers will return from foreign countries, to say nothing of the population growth rate which has not decreased noticeably (2.2 percent at present compared with 1.7 percent set in the plan early this year.)

Many deputies worry about the recent steep increase of prices. The price of gold has gone up from 2.5 million Vietnamese dong a tael to 3.3 million or more within a month; the free exchange rate of the dollar [U.S. dollar] has climbed from 6,000 Vietnamese dong to 7,000 Vietnamese or more; the price of rice from 1,500 Vietnamese dong per kilo to 2,200 dong, etc. The government is trying to check inflation by a variety of means including the reduction of administrative expenditures through the slashing of staff personnel, suspension or narrowing of construction work, stricter tax collection, promotion of the anti-smuggling campaign.

But the main measure remains to step up production, chiefly agricultural production not only to meet the needs of the population but also to export from 1.2 to 1.5 million tons [tonnes] of rice in 1991. The figure of 22.5 million tons of food including 18 million tons of paddy is considered a feasible target though it lays on the surmise that there will be no major natural calamities.

All speakers recognised the obvious though initial results of the open-door policy in external economic relations. The number of more than 200 licences granted to joint ventures or 100 percent foreign- invested projects is not yet an impressive one on both scale and value, but it is an ecouraging sign. Most deputies laid stress on the necessity to be more expeditious in completing and issuing sub- law documents of the law on foreign investment and perfecting the managerial mechanism so that foreign businessmen may feel secure enough to invest in Vietnam.

The question of providing jobs for millions of excess workhands also drew the keen attention of the assembly. Most agreed that the only way out is to encourage all economic sectors, especially the individual and private economies, to invest in priority areas such as agriculture, fishery, forestry, traditional handicrafts, medium and small establishments producing consumer goods and goods for export, etc.

Wages is another issue on which the deputies spent lot of time. The National Assembly's decision early this year to raise the minimum wage to the value of 45 kilos of rice is seriously challenged. The rapid fall of the purchasing power of the Vietnamese dong forces the government to think of a second indexing of wages to the increase of the price of rice from now to early 1991 (last June the government already granted a general price subsidy of 20 percent to all wage earners). However, the livelihood of wage earners still meets with great difficulties.

The degradation of social order is a fact that can be hardly denied. All deputies who spoke of this matter strongly urged that the executive and judiciary take stronger actions to bring to court and duly punish all those convicted of corruption, smuggling, tax evasion and other economic crimes.

Concludes; Resolutions Adopted

BK2112114790 Hanoi International Service in English 1000 GMT 21 Dec 90

[Text] The freshly-concluded eighth session of the Vietnamese National Assembly has adopted a number of resolutions, including one on socioeconomic orientations and tasks for 1991 and a law on private business transactions, law on shareholding companies, supplements and amendments to the law on military service and Army officers.

Speaking at the closing session on Friday, Chairman of the National Assembly Le Quang Dao spoke of positive changes in socioeconomic situation in Vietnam in 1991 which he said proved the correctness of the process of renovation in Vietnam, he called on public officers, branches of activity, and people of all strata to implement the resolutions of the National Assembly as well as of the party and the state to boost production and stabilize life as greetings to the Seventh Congress of the Communist Party of Vietnam.

Vo Van Kiet Delivers Socioeconomic Report

Part Two, 2d Installment

BK2012075390 Hanoi Domestic Service in Vietnamese 0830 GMT 6 Dec 90

[Second and last installment of "Part Two" of the socioeconomic report by First Deputy Prime Minister Vo Van Kiet at the opening meeting of the Eighth National Assembly's eighth session in Hanoi on 5 December—read by announcer]

[Text] Concerning the social tasks, we must realize that fulfillment of all the above-cited economic tasks will create the necessary material and financial conditions for fulfillment of the social tasks. By the same token, satisfactory solution of the social problems will prod production into overcoming all difficulties and developing.

In 1991 we must bring into full play all initiatives of each family and each mass organization, especially the social organizations in the rural areas, and strongly push forward propaganda and educational work to reduce the birth rate by 0.6 percent compared to 1990, and to maintain the population growth rate at the 2.13 percent level.

Providing employment for workers is an extremely pressing problem, but it can be resolved only step by step on the basis of expanding production. We must further encourage various economic sectors and those people with capital and technical skills to expand business and production under many forms in order to create more new jobs. In cities, attention must be paid to the development of various vocational training centers, the conduct of refresher training, and the development of service operations and job placement.

Current wages are both small and irrational in terms of structure and relations among various trades, jobs, regions and economic fields. This is currently a major cause of concern to the Council of Ministers. Study to improve wages, which was started this year, must be completed in 1991. As an immediate task, we must reorganize the administrative and professional structure, and define the titles, qualifications and number of necessary cadres and employees. At the same time, we must step-by-step do away with the remaining subsidies, apply the various forms of social security, rearrange the pay grades and payrolls for various trades, jobs and fields, enlarge the interval between minimum and maximum wages, actually encourage an increase in productive labor, raise professional standards, and stimulate improvement of abilities. Until then, effort must be made to ensure realistic income for workers, hardship allowances to cadres and professional and administrative personnel, armed forces members, retired cadres and other social policy pensioners.

Regarding the domains of public health, education and culture, in 1990 the state has focused on some definite financial projects and has strived to secure assistance through many international programs. In 1991 the state will make similar efforts and concentrate on such tasks as sanitation and disease control, treatment of common diseases, consolidation of a few more major hospitals, specialized medical wards, public schools and economic, financial, banking and law colleges, and will grant aid to some cultural and sports units and some publishing houses. The networks of public health and popular education will be developed with the initial material assistance from the state.

Concerning measures to implement the plan, they are adequately covered in the draft plan submitted to the National Assembly. I would like to stress some of them:

First, experiences over the past two years of going into a market-oriented economy have shown the need to rearrange state-run enterprises. If those enterprises in districts and precincts, including some others of provincial level, cannot stay on in the market, they must be shifted to other types of ownership or reorganized into self-administered collectivized enterprises, depending on the aspirations of the collectivized workers and the availability of cadres capable of conducting business there. The budgets will recover those assets sold as a result of rearranging production and will be reallocated to those enterprises that expand their businesses.

State-run trade should also be quickly rearranged. Those companies dealing in important trades and commodities must be reorganized to ensure by all means smooth circulation of goods and pricing order country-wide.

The network of state-owned trade and industry should be organized to provide timely production means to agriculture and technical services and consumer goods to rural areas, and to collect and purchase agricultural products and commodities.

Second, even though the banking network is in the process of renovation, there still are many problems to be continually resolved with respect to organization, technical operations, and especially cadres so as to suit the banking operations in the multisectorial economy of consumers and in the expansion of international trade relations. It is extremely difficult to deal with the problems arising from the shift from subsidized credits to business credits. The current monetary circulation is still rife with hidden signs of inflation and lack of payment funds in business operations. These are long-term problems to be resolved. Particularly, in 1991 we must apply suitable interest rates, initially develop the monetary market, practice the use of new payment facilities to help increase the payment capacity of business units and contribute to quickly rotating cash and settling the current tense situation of capital. The issuance of treasury bonds to the monetary market will further help the state budget borrow money from the people to pay for various expenses. Credit organizations must be strictly rearranged. Action should be taken step by step to attract foreign banks to open their branches in Vietnam.

In 1991 we will promulgate a statute for remittances in accordance with bank regulations which play the role of encouraging export-import activities along the planned guidelines and of guaranteeing the stability of foreign exchange rates in the market.

Concerning finance and the budget, we will make another important step to overcome budgetary weakness which is a permanent cause of inflation. We will renovate the system of financial operations, expand and increase the sources of revenues, collect taxes correctly and fairly, and, at the same time, make sure that only necessary expenditures are made on the principle of strict thrift. We will revamp the financial operations of enterprises, apply the system of closely inspected and controlled bookkeeping, and gradually advance toward a legal auditing system in order to prevent expenses and cost accounting at variance with the prescribed regulations and systems, and avoid the casual establishment of wasteful spending systems. We must improve tax collection and control compliance with tax laws and regulations while issuing some new tax regulations. The reform of tariffs is aimed at vigorously stimulating the export and import of essential goods, and restricting the import of those goods that are not yet needed and can be manufactured in the country.

Our financial system is now in a state of casual and loose budgetary operations at all levels from the central down to local governments and in all sectors and primary installations and does not follow any strict policies nor legal standards. Although much effort has been made to improve financial inspection, it is still not commensurate to the changing financial system, while the legal auditing system has not been established. This situation calls for renovation of the financial system, which involves tasks ranging from the appointment of cadres with some ability to formulate policies to the rearrangement of the budgetary structure, and particularly the restoration of stern order and discipline in financial operations at all levels from the central down to local governments and primary installations. In 1991, the Council of Ministers will continue to provide guidance for completing the study of new financial policies to conform truly to the new economic mechanism.

Third, we must renovate all our foreign economic operations ranging from our knowledge of these operations to measures to organize and implement them.

Effective from 1991, there will no more be two different procedures for exchanging goods between zone I and zone II. As a result, on the one hand we must promote favorable conditions for joint business and continually maintain our relations with the Soviet and Eastern European markets. On the other, we must strive to promptly seize the new opportunities to expand trade and gain investment and assistance from many countries.

As for exports, it can be said that our three main ones now are crude oil, maritime products, and rice. Exporting rice must be based on careful calculation in balance with domestic need. As for maritime products, the 1991 export value is estimated at U.S. $230 million. This is a major source of interests which can be tapped at a higher level. Besides these three main exports, the state will promulgate policies to encourage even more vigorously all economic sectors to produce more exports and step by step establish zones and sectors specializing in producing and manufacturing exports. We must join various international export associations and agreements in order to, on the one hand, gain the commercial and technical assistance of these associations, and, on the other, to agree upon the distribution of stable market shares and protection of prices.

As for imports, we should gather satisfactory amounts of foreign currencies gained from exports in order to ensure the importing of the most important four commodities that are gasoline and oil, nitrogenous fertilizer, steel, and cotton. Specific assignments will be made by the Council of Ministers to organize and carry out the importing of these four commodities in order to ensure the interests of importers, exporters and consumers.

The central government will issue unified guidance for conducting all export-import operations through the various tools of customs, the issuance of quotas and licences, the granting of credits, and the management of foreign currencies and remittances. Many fruitful forms will be organized to introduce the country abroad and call for foreign investments in Vietnam. The state agencies for cooperation and investment must be perfected and made sufficiently competent to help the state formulate investment policies, attract investments, and appraise major investment projects quickly and accurately. It should be added that the main purpose of rearranging export-import operations and severely dealing with smuggling cases is to restore order and discipline in export-import activities. It is not to restrain export-import activity, but is instead mainly to encourage business organizations to operate in accordance with law.

Fourth, we must continue studying ways to supplement and release a number of legal documents on economic work along with directing and supervising the implementation of these documents aimed at ensuring fairness and healthiness in business activities. Abilities in business transactions must be promoted more vigorously while activities detrimental to the interests of other people or acts of swindling must be prevented and subjected to prompt and severe punishment.

It can be said that in the process of renovation in recent years, we have done a number of things in the domain of state management over the economy by law. However, compared with the demands of the socioeconomic situation at present, we still have to carry out many tasks, some of which must be performed in a fundamental manner. Meanwhile, our law enforcement organs are still inexperienced and embarrassed in dealing with cases involving economic and civilian conflicts. Therefore, on the one hand, we must urgently replenish and gradually modify our legal system, especially the legal system governing economic work, in order to use it as the basis for promptly adjusting various economic relations that have emerged under the conditions of the new mechanism. On the other hand, we must intensively consolidate the management machinery and number of cadres and renovate the operational system of law enforcement organs to meet the needs arising from investigation, prosecution, and adjudication work. It is also necessary to further stress the need to overcome weaknesses in adjudication work at present which is slow and lacks strictness and justice in some cases, especially in the most recent cases of corruption and smuggling.

Judgement must be passed on the right crimes and right culprits and exercised in accordance with the law. Neither organizations nor individuals are allowed to interfere illegally with the judgement of various law enforcement organs. A guilty cadre must be judged in accordance with the law regardless of his rank. It is necessary to correctly ensure that "all citizens are equal before the law." Nobody is allowed to stay outside or on top of the law.

Fifth, we must continue renovating the state administrative system. This is an issue that needs our attention and an intensive study on how does the socialist state manage a market economy, and what are the contents and means of management, is needed. In the past two years, we have gradually been able to understand this issue more clearly through practical experience. However, there still remain a relatively substantial number of issues of which we should make a study and seek a better understanding. In the immediate future, we must define the functions and tasks for all ministries and deprive various economic ministries and sectors of their authority to interfere with the legal decisions of business activities of enterprises. This is aimed at definitely discriminating between the functions of economic management of the state and the functions of business management of enterprises. It is necessary to decentralize responsibilities and powers between the central level and localities and ensure that activities of a unified market economy are regulated and coordinated from the central level. We must speed up the modification of the administrative system, rearrange the staff of state officials, and increase the efficiency of state management. The Council of Ministers has set up a subcommittee responsible for this task, which will be expanded in 1991.

Sixth, it is necessary to provide cadres with training and advanced training. We must realize that when embarking on a market economy, our cadres still need additional advanced training, from theory to speciality and technicality. Therefore, to build a contingent of cadres in a way that suits the market mechanism is an extremely urgent task. We must formulate a state program under which training work can be carried out rapidly and effectively with the participation of large numbers of those entrusted with business administration in enterprises and cadres and officials responsible for macroeconomic management at state organs. It is also necessary to seek training programs under the assistance of foreign countries.

We must train a contingent of traders who know how to engage in the export and import business, to deal with foreign traders, and to grasp market opportunities and international trade laws and procedures.

We must also train a contingent of cadres who know how to formulate and negotiate various programs, to seek development aid programs from foreign countries, and to obtain loans from international finance organizations.

The above-mentioned measures and other initiatives that have been submitted to the National Assembly should be studied carefully and scrupulously and urgently implemented. All this is aimed at expanding our market at home and abroad as well as in the lowland and mountainous regions, creating a favorable environment for business transactions, offering businessmen of every other component the opportunities to promptly engage in business transactions, exploiting the actual poentials within our reach, and supporting the drafts of our country's plan for the 1991-95 period and strategy for socioeconomic stabilization and development up to the year 2000.

Dear presidium members, dear Comrade National Assembly deputies: Despite numerous difficulties during the early stage of the process of renovation between 1986 and 1990, we have been able to score many achievements of great significance. There still remain numerous difficulties. However, these are inevitable difficulties arising from the process of renovation and the trend of development.

In 1991, inheriting the achievements that have been recorded and with the new favorable conditions—a step of maturity in the tasks managing and directing the market economy, the confidence and sympathy of the people, the five-year plan and its guiding strategy, the guidance for renovation in the platform and other resolutions of the Seventh Party Congress—we will certainly be able to overcome all ordeals in order to fulfill all the tasks of strategic significance that have been laid down for 1991.

Thank you, Comrade National Assembly deputies.

Australia

Evans Rejects Criticism of Gulf Military Role

BK2112080890 Melbourne Overseas Service in English 0500 GMT 21 Dec 90

[Text] Australia's foreign affairs minister, Senator Gareth Evans, has rejected criticisms of Canberra's military commitment to the Gulf. Senator Evans, speaking in Canberra, stressed that Australia is doing the right thing and the commitment was necessary as part of the international community's first test of its crisis management capacity in the postwar era.

Senator Evans added that the majority of Australians understood that the oil reserves in Kuwait were of secondary concern and the main issue is having a strong country like Iraq invading a weaker neighbor. But three warships Australia had committed to the international gulf blockade had just returned to Sydney after three and a half months tour of duty.

Evans Comments on Shevardnadze Resignation

BK2112054890 Hong Kong AFP in English 0543 GMT 21 Dec 90

[Text] Canberra, Dec 21 (AFP)—Australia's Foreign Minister Gareth Evans said Friday Soviet Foreign Minister Eduard Shevardnadze's resignation raised matters of "immediate worry" for President Mikhail Gorbachev's leadership.

While it was too early to make "firm judgments" about the impact of the resignation, it raised questions about Mr. Gorbachev's ability to impose his will over domestic matters.

He said the optimistic view was that it could act as a warning shot to galvanise the reformers.

But "there does seem to be at least an attempt by Mr. Shevardnadze to do just that by the style and the forcefulness of his resignation speech," Mr. Evans told parliament.

"More pessimistically, it could, on the other hand, signal the loss of a key reformer, reflecting that conservative groups who are seeking to pull back some of the hardline reformers of perestroyka may be gaining the ascendency."

Mr. Evans said Mr. Shevardnadze had played a key role in forging the new co-operative East-West relationship and his resignation was "disconcerting, perhaps even devastating news" for governments around the world as well as his colleagues in the Soviet leadership.

Mr. Evans described Mr. Shevardnadze, who in 1987 became the first Soviet foreign minister to visit Australia, as "an outstandingly intelligent, open-minded statesman" with engaging personal charm.

While Mr. Gorbachev had given explicit assurances there would be no significant change in foreign policy, this would depend on the president maintaining his influence in government.

"A question does, however, arise about President Gorbachev's capacity to continue to impose his will in the domestic situation that is now unfolding," Mr. Evans said.

"It is in respect of the domestic implications which the Shevardnadze resignation raised that there is an occasion for some more immediate worry."

French Polynesia

French Dismiss Greenpeace Radioactivity Claim

BK2012074490 Melbourne Overseas Service in English 0500 GMT 20 Dec 90

[Text] A French Government service which monitors radioactivity levels at the South Pacific nuclear test sites at Mururoa Atoll has denied there is any radioactivity in surrounding waters. It has accused the environmental group, Greenpeace, of staging a media stunt during its recent attempt to sail the Rainbow Warrior into the area.

The Radiological Security Joint Service in Papeete said it found neither Cobalt-60 or Cesium-134 in water samples taken 13 kilometers from the test site. This challenged claim by Greenpeace activist, (Norman Vorskiy), who said he had found unspecified radioactive materials in water samples taken at the same distance from the atoll.

New Zealand

Foreign Minister Regrets Shevardnadze Resignation

BK2112051690 Hong Kong AFP in English 0458 GMT 21 Dec 90

[Text] Wellington, Dec 21 (AFP)—New Zealand Foreign Minister Don McKinnon said Friday he regretted the resignation of Soviet Foreign Minister Eduard Shevardnadze but hoped he would continue to have a role in domestic policy.

In a statement Mr. McKinnon said Mr. Shevardnadze had masterminded a new outward-looking Soviet foreign policy.

"This policy allowed the Soviet Union to reach a consensus with other countries in the United Nations to allow the use of force in the Gulf if necessary," he said.

Mr. McKinnon said Mr. Sheverdnadze appeared to have resigned Thursday for reasons relating to the domestic political situation in the Soviet Union.

"The Soviets face serious internal problems and I hope Mr. Shevardnadze's skills will be used to help resolve these difficulties," he said.